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FINANCIAL TIMES

183

BRITANNIA JERSEY GILT FUND LIMITED

No. 30,073 *** Saturday November 1 1986

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WORLD NEWS

BC Libya average defended

William Rees-Mogg, vice-chairman of the BBC's board of governors at the time of the air strike on Libya in April, defended Conservative party spokesman Norman Tebbit for his criticism of the corporation's coverage of the bombing raid.

Australia steps in

Australia is to represent British interests in Syria following the break in diplomatic relations between London and Damascus.

Severn bridge toll

UK Government won court approval for plans to double toll charges on the Severn Bridge. Page 4

Waite revives mission

The Archbishop of Canterbury's envoy Terry Waite flew to Larnaca, Cyprus, from Beirut to fresh efforts to free US hostages in Lebanon.

Border security deal

Further measures for tightening cross-border security between Northern Ireland and the Irish republic, were agreed in London. Page 4

Murdoch sets deadline

Printworkers sacked by Mr Rupert Murdoch's News International have been given until November 10 to apply for individual compensation payments. Page 5

Israeli kidnap claim

Scotland Yard said there was no evidence to substantiate a newspaper report that Mordechai Vanunu, a nuclear technician, was snatched in London by Israeli agents, and flown home in a crate as diplomatic baggage. Intelligence agencies fall out. Page 3

Prison officer released

A prison officer was released by inmates at Saughton jail, Edinburgh, who had held him since Monday. A newspaper published a letter from his six captors alleging brutality at Peterhead jail. Talks are continuing with three who have yet to surrender.

Ban on S African airline

Australia has given South Africa formal notice that it will terminate landing rights for South African Airways in 12 months. The decision will close Australian air links with the republic because Australia's national airline, Qantas, does not fly to South Africa.

Hasenfus silent

US airman Eugene Hasenfus refused to give evidence before a Nicaraguan tribunal trying him for crimes against the left-wing Sandinista government.

Mafia trial

The Italian foreign and justice ministers are to be questioned next month by the Palermo court conducting the country's biggest Mafia trial.

Karachi curfew

An indefinite curfew was ordered in parts of the Pakistani cities of Karachi and Hyderabad after ethnic clashes in which at least six were killed.

Reactors delayed

Britain's latest nuclear reactors at Heysham, Lancashire and Torness near Edinburgh, have shown wear on reactor control rods during trials and their commissioning will be delayed. Page 4

BUSINESS SUMMARY

Avis Europe issue poorly supported

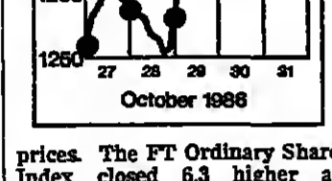
AVIS Europe's 1378m flotation in London has failed with about one-third of the 72m shares offered left with the underwriters.

OIL prices rose further

Oil prices rose further in response to Saudi Arabia's stated intention of achieving a minimum level of \$13 a barrel. The spot price of Brent crude reached \$14.90, up \$1. Back Page

EQUITIES were boosted

by the prospect of renewed Opec efforts to bolster crude oil prices. The FT Ordinary Share Index closed 6.3 higher at 1285.4, giving a rise of 33.8 on the week. Page 11



BRITAIN'S new investor protection system will not be fully in operation until at least late autumn of next year, it emerged. Back Page; City bill changes approved. Page 3

CHASE Manhattan of the US may remove its traders from the floor of the London Stock Exchange in line with other firms. Back Page

KLEINWORT Benson Lonsdale, merchant bank, is to offer for sale most of its stake in M & G Group, the unit trust and financial services company. The deal will raise about \$80m. Back Page

GOLDFELL below \$400 an ounce in London for the first time in two months before closing \$375.75 on the day \$400.625, as the dollar rose in response to news of the Japanese-US accord on the yen. Commodities, Page 9

AETNA LIFE, US insurance company, increased net profits in the third quarter to \$128.5m (\$141.5m) from \$111.5m. Page 9

LEAR SIEGLER, US aerospace, automotive products and electronics group, faces a planned \$1.51bn (£1.07bn) takeover bid. Page 9

OLIVETTI vice-president Eserino Piod forecast at an FT conference on personal computers that the number of manufacturers worldwide would fall sharply next year. Page 5

WEST GERMANY'S financially-troubled DGB trade union plans to sell its stake in the BfG bank. Page 9

LONRHO, international trading group, intends to appeal against a Scottish court ruling allowing House of Fraser in which Lonrho is a preference shareholder, to become a private company. Page 8

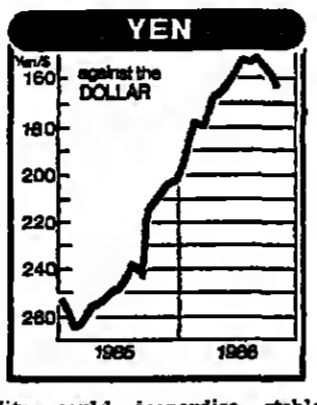
MIDLAND BANK is considering plans to close 450 branches and shed 3,700 staff by the end of 1989, according to the Banking, Insurance and Finance Union. Page 5; Investment banking arm change. Page 4

NORTHERN FOODS, Hull-based foods company, is selling most of its remaining US operations to its minority partner for \$72.5m (£52m). Page 8

US and Japan agree to promote growth and stable currencies

BY OUR FOREIGN AND ECONOMIC STAFF

THE UNITED STATES and Japan yesterday said they had reached a new co-operative agreement aimed to stimulate economic growth in their two countries and the world, reduce global trade imbalances and stabilise exchange rates.



Mr James Baker, US Treasury Secretary, and Mr Kiichi Miyazawa, Japan's Finance Minister, outlined their agreement in a joint statement which took markets by surprise and triggered another wave of dollar buying on foreign exchanges.

A key component of the package was a 0.5 percentage point cut in Japan's official discount rate, to 3 per cent. This is the fourth time the Japanese discount rate has been cut since 1985.

Japan had been expected to respond to a series of foreign exchange market issues, saying they shared the view that exchange rate instability could jeopardise stable economic growth.

Mr Miyazawa told reporters after the statement that his agreement with Mr Baker meant there would be no further rise in the yen. He said the US had stopped talking about the yen.

Mr Baker and Mr Miyazawa reaffirmed their willingness to co-operate on exchange market issues, saying they shared the view that exchange rate instability could jeopardise stable economic growth.

Mr Miyazawa said he would submit a supplementary budget to the Japanese Parliament so as to implement the ¥3,600bn (\$15.7bn) package, announced in September, that is to provide what he called a substantial stimulus to the Japanese economy.

He said this stimulus would be achieved through additional investments in such key areas as public works, housing and construction. The Japanese Government would monitor progress in implementing the package.

Continued on Back Page Japan and US forge link on yen, Page 2; Editorial Comment, Page 6

Scottish teachers' union urges renewed strikes

BY DAVID BRINDLE AND RAYMOND HUGHES

THE GOVERNMENT'S attempt to secure a lasting settlement of the teachers' pay issue looked last night in danger of triggering fresh disruption after leaders of the main union for Scottish teachers recommended a resumption of strikes.

The executive committee of the Educational Institute of Scotland (EIS) voted unanimously to urge rejection of the Government's pay and employment contract proposals, the holding of a one-day strike and the preparation of a fresh long-term campaign of disruption in schools.

The move seems certain to have repercussions south of the border. The National Union of Teachers, which yesterday confirmed it would continue negotiating an agreement with the local authority employers in defiance of the Government's terms, is a close ally of the EIS.

Behind yesterday's decision by the union's leadership is the belief that the recommendations of the Main Committee, set up to consider the pay issue in Scotland when strikes were halted earlier this year, have been compromised by the Government to extend them to England and Wales.

The Government has offered all teachers a two-stage pay rise worth an average 16.4 per cent over two years, tied to tight contract conditions. This was the figure recommended by Main, but the committee has said there should be a single, immediate increase and that its recommendations were "indivisible".

The EIS said yesterday: "The Secretary of State's posture that teachers must accept an indivisible package, but that the Government need not do so, is hypocritical and is a breach of faith with the teachers, pupils and parents of Scotland."

The union's executive will urge a delegate conference next Saturday to call a secret ballot on the Government's proposals and to campaign for rejection of them. The conference will also be recommended to call, in anticipation of a vote against the proposals for an immediate "one-day strike, for intensification of the present work-to-contract sanctions and for planning of further action.

The conference will take place simultaneously with the opening in Nottingham of negotiations between the teachers' union and employers in England and Wales, aimed at finalising a pay and contract deal which would ignore the Government's proposals.

The executive committees of the NUT and the NAS/UWT met yesterday and agreed to attend the Nottingham talks in spite of the Government's threat to legislate to impose its terms. The NAS/UWT is to press on with most of its series of half-day strikes regardless of yesterday's High Court injunctions, which it will observe in the two countries concerned.

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Goodison says SE changes have met most objectives

BY ALAN CANE

THE London Stock Exchange ended the most momentous week in its history on a note of optimism yesterday with Sir Nicholas Goodison, the exchange's chairman, hailing its performance during Big Bang as "unparalleled".

The main objectives of the changes in the market had all been successfully achieved, he said. The echoes of the computer systems collapse which marred the first days of trading, however, continued to reverberate. The modification to the exchange's troubled electronic information system to provide extra capacity will not be completed until July. It was admitted last night. It was Software to control the storage of information in the system will be installed in January but the complex job of programming the system, so that it can provide a satisfactory service to the market, will not be complete for another six months.

"Back office" (settlement) staff from several major market makers are working this morning to try to clear a backlog of about 28,000 unmatched bargains which have been building up during the week.

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Eurotunnel: the financial risks ... 7

British Gas sale target likely to be £5.5bn

BY MAX WILKINSON, RESOURCES EDITOR

THE Government's target for the sale of British Gas next month appears to be about £5.5bn, with up to £3bn raised from private investors, it emerged yesterday.

N. M. Rothschild and Sons, the Government's advisers, published the "pathfinder" prospectus for the issue, giving most details of the offer except the price. That has yet to be fixed.

It said, however, that the maximum price would be £1.50 for each of the 4,025.5m shares to be offered for sale, which puts a maximum value on the company of £6bn. The actual value is certain, however, to be significantly lower.

Had British Gas been privatised for the whole of this financial year under the arrangements now proposed, the prospectus says, dividends would have been expected to be 6.5p a share. That represents a payout of £216m, a figure considered in the City to be conservative in relation to after-tax profits of £42m.

That dividend would give investors a gross yield of 6 per cent at the maximum offer price of £1.50 a share. The indications are, however, that the Government will seek to raise the expected yield to about 6.5 per cent with a price of about £1.40 a share.

The final price will depend on the Government's assessment of the market and on the enthusiasm of the general public just before the price for the offer is announced on November 21. Investors will have until 10 am on December 3 to send in their applications.

It was also announced that nearly three-fifths of the shares would be sold to small investors if demand proved strong enough. Feeling is growing among officials that it will.

Mr Michael Richardson, managing director of N. M. Rothschild, said: "Unprecedented interest has already been shown in this flotation."

More than 8m inquiries had been received, twice as many as in any other share offer.

The Government's target is ambitious. If the 6m people who have so far expressed interest between them took up the near 60 per cent of the Government is prepared to allocate to small investors, their average stake would need to be more than £500 for the apparent target of £5.5bn for the total sale to be met.

Special incentives for small investors and the method of payment in three stages — also announced yesterday — means that a small investor could hope to realise about 15 per cent on the money that he or she would be due to pay out in the first seven months.

Payment for the shares will be in three stages, with only 50p a share due at the time of the offer. The second instalment (not yet fixed, but probably also 50p) will be due in early June next year with the final payment in April 1988.

About two-fifths of the shares will be allocated to British Gas customers and small investors, with two-fifths for the institutions, and the rest to be sold in the US, Canada, continental Europe and Japan. However, if demand from private investors is strong, the allocation to institutions and overseas markets will be scaled down to give UK private investors about 58 per cent.

One key to the strategy for the flotation is to create strong demand from the general public so that the price will rise after the flotation as institutions compete to add British Gas shares to their portfolios.

"As one official said yesterday: 'The idea is that many people will buy shares for the first time and find out how they can benefit from capitalism.'"

Details, Page 5; Learning the TSB lesson, Weekend VII, Lex, Back Page

Average yield

That would be equivalent to an annual rate of about 30 per cent. However, that would only be a short-term profit for those who could then sell their shares. Excluding bonuses and special incentives, the average yield is likely to be about 6½ per cent to 7 per cent.

The prospectus forecasts that aftertax profits in the year ending March 31, 1987, will rise 10 per cent on a current-cost accounting basis. However, that is largely due to a technical adjustment to working capital requirements because of the fall in oil prices. On a historic cost basis, after-tax profits are expected to fall slightly.

WEEKEND FT



CONSERVATION

The campaign to save Britain's vanishing woodlands sparks into fury over a beauty spot in Kent. Page 1



FINANCE

Some ifs and buts in "tax break" charity giving may be costly rather than cost-effective. Page VI



TELEVISION

The BBC launched the world's first regular television service 50 years ago — when a set cost as much as a car. Page XVIII

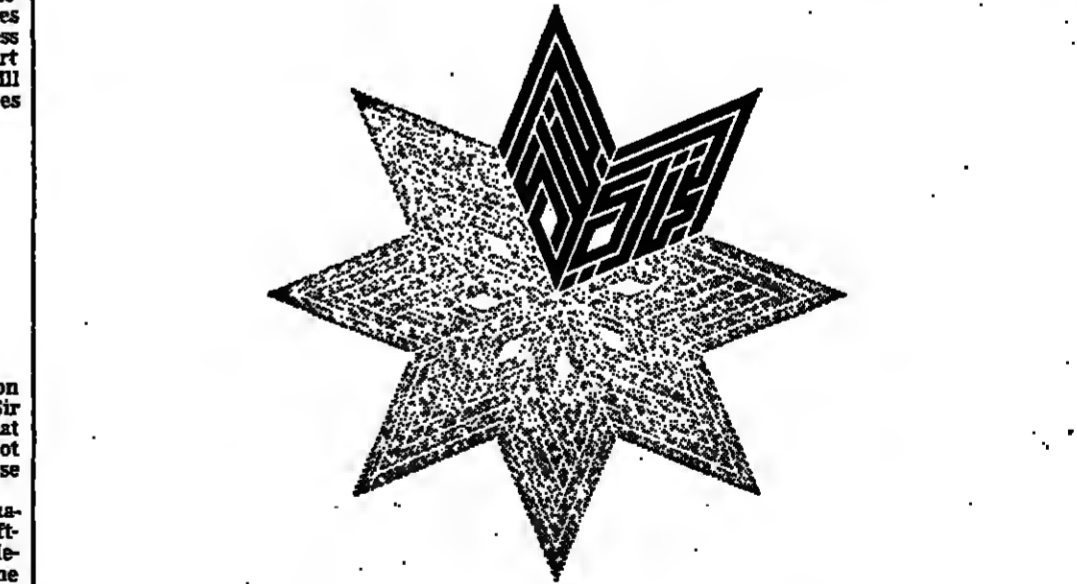


ARTS

The Rodin exhibition opens at the Hayward Gallery in London. Page XXI

BOOKS

Business Books Survey Pages XVI and XVII



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CONTINENTAL SELLING PRICES: Austria C20; Belgium BF; 45; Cyprus C20.75; Denmark DK; 8; France FF; 5.50; W Germany DM; 2.20; Ireland IR; 10; Italy L; 20; Spain Ptas; 160; Sweden S; 2.70; Norway Nkr; 7.00; Portugal Esc; 100; Spain Ptas; 160; Malta M; 7.00; Switzerland Sfr; 2.20.

سكوا من الأنا

OVERSEAS NEWS

BREAKDOWN OF WIDER CONSENSUS BEHIND INTEREST AND EXCHANGE RATE DEAL.

Japan and US forge bilateral link on yen

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

YESTERDAY'S deal on interest and exchange rates between the US and Japan was perhaps the inevitable result of the recent fracturing in the wider consensus on international economic co-ordination between leading industrial nations.

The trend towards bilateral rather than multilateral co-operation emerged at last month's meetings between finance ministers and central bankers of the Group of Five countries in Washington.

Mr James Baker, the US Treasury Secretary, who has been pushing for faster growth in other leading economies to help reduce the massive US trade deficit, did little to hide his frustration with the refusal of European governments to respond.

For Japan the most obvious plus is the agreement to seek to prevent a further appreciation in the yen's value which will give its politically powerful exporters a respite after the steep decline in their competitiveness over the last year.

Some officials were wondering if the agreement included an unannounced commitment by the Japanese to soften its position in several bilateral trade disputes with the US—such as those over cars and rice.

Tokyo announces record \$9.8bn monthly trade surplus

BY CARLA RAPPOPORT

JAPAN'S HUGE trade imbalance with the rest of the world continued to break records in September as the country's trade surplus hit a record \$9.8bn, up from \$8.1bn in August.

The continued string of record trade figures have become an embarrassment to the Japanese, who say they are restructuring their economy away from export-led growth following the appreciation of the yen.

Text of Baker and Miyazawa agreement

THE FOLLOWING is an edited version of the text of the Japan-US agreement on the stabilisation of exchange rates.

US Secretary of the Treasury James A. Baker III and Japanese Finance Minister Kiichi Miyazawa announced that, as part of the ongoing dialogue between the US and Japan on economic, trade and financial issues, they have reached agreement on an open and understanding regarding a number of economic issues of mutual concern.

In this connection, Minister Miyazawa outlined the following actions being taken by Japan to help fulfil its responsibilities in the world economy.

The Government of Japan has decided to submit to the Diet a supplementary budget in order to implement the Y3.6 trillion package announced in September, designed to provide a substantial stimulus to the Japanese economy.

Economic package a coup for finance chief

BY OUR TOKYO CORRESPONDENT

WHILE THE majority of Japanese businessmen were enjoying their ritual Friday evening drinks, Finance Minister Kiichi Miyazawa was solemnly announcing yesterday's economic agreements with the US.



Kiichi Miyazawa: outspoken advocate of demand stimulation

Mr Miyazawa, who took over as Japan's Finance Minister after last summer's elections, impressed Washington as having a much more internationalist perspective than his predecessor Mr Noburu Takeshita.

The logic of bilateral deal is obvious. Japan's \$55bn (\$39bn) annual trade surplus with the US represents the largest imbalance in the world economy.

Now, however, these measures have been handed over to the Americans as justification for US help on two things close to Japanese hearts: stable exchange rates and resistance to protectionist measures.

Indeed, only a few hours before the Miyazawa-Baker statement, Mr Yoh Kurawasa, deputy president of the powerful Industrial Bank of Japan, was telling Western reporters that yesterday's discount rate cut, Japan's fourth this year,

would not have much, if any effect, on the economy's growth. This is because Japanese interest rates are already at record low levels and most large Japanese companies are not highly geared.

On the tax reform package, Mr Miyazawa also neglected to say that the issue is now before the ruling Liberal Democratic Party's Tax Commission, headed by Mr N. Yamaoka, a member of the Nakasone faction, but a man who has never bid his dislike of the Prime Minister.

When Mr Yamanaka was asked his opinion of the recent recommendations on tax reform by the Government Tax Council he replied: "I don't reject it; I will just neglect it."

There is one potential gain for the US, however, which may be provoking some disquiet in European capitals. If the dollar were to come under renewed pressure on the foreign exchange markets the pressure might be felt almost entirely by European currencies, and in particular by the D-Mark.

On the issue of protectionism, initial reaction in Tokyo was also one of scepticism to Mr Baker's comments. Nonetheless, the very fact that Mr Baker included the goal of resisting protectionism in his statement will be seen as a welcome step in Tokyo.

The Japanese are becoming paranoid on this issue, as each week seems to bring further allegations of dumping in America or Europe. Any statement against protectionism is a good one as far as Japan is concerned.

Long D-Mark expected to halt growth in exports

BY OAVD MARSH IN BONN

The West German Government believes the country's exports will show no growth this year in real terms compared with 1983 because of the sharp appreciation of the D-Mark.

Dr Otto Schiebt, state secretary at the ministry, said the economy was heading for average growth of 3 per cent in 1987 after similar expansion this year.

Neither the Government nor the constitutional Independent central bank, the Bundesbank, is disposed to inject more demand into the economy.

The Bank of Japan's discount rate cut is unlikely to change the immediate prospects for cuts in German interest rates.

Argentina issues warning to foreign trawlers

BY TIM COONE IN BUENOS AIRES AND JIMMY BURNS IN LONDON

FOREIGN trawlers entering Argentina's 200-mile exclusive economic zone could be fired upon by coastguard vessels as an "ultimate recourse" to prevent their fishing activities, Mr Daniel Caputo, Argentine Foreign Minister, has warned.

His remarks, in a late night press conference on Thursday, followed Britain's unilateral decision to extend its fishing rights around the Falkland Islands in response to Argentina's earlier move to sign bilateral fishing accords with the Soviet Union and Bulgaria to control fishing catches in the South Atlantic.

But the calculation could misfire if the Russians or any other foreign fleets choose to ignore or challenge the new regime.

However, Britain has taken a calculated gamble on the goodwill of third countries, including the Soviet Union and Spain. British officials appear to have announced their decision on the assumption that third countries who have signed bilateral agreements with Argentina, or who already fish extensively in the South Atlantic waters, will respect the 150-mile zone and either apply to the British authorities for licences or withdraw their fleets.

Alfoosin has personally contacted the Spanish and French governments and all the major Latin American leaders requesting their "solidarity."

As a member of the European Community, Spain should theoretically recognise Britain's rights to a 200-mile fishing zone. But it has found common new between its claims to Gibraltar and Argentina's claims to the Falklands after remaining officially neutral on the sovereignty issue during the Falklands war.

Mobutu shuffles ministers to bolster economic moves

BY MICHAEL HOLMAN, AFRICA EDITOR

PRESIDENT Mobutu Sese Seko of Zaire yesterday announced a Government reshuffle apparently designed to reinforce his new economic strategy.

The close relationship with the Fund, with which Zaire earlier this year signed a Special Drawing Rights 24m (\$252m) 22-month loan agreement, has been central to the Government's economic recovery plan.

held by Mr Kengo was Dondo, and said he would take over the duties of the job himself.

Pressure for change in economic policy has been building for some time, with critics of IMF programme arguing that austerity measures have yet to produce results.

Rise in US economic index aids Reagan

By Nancy Dunne in Washington

THE US index of leading economic indicators, the Commerce Department's chief economic forecasting gauge, rose 0.4 per cent in September, providing fresh evidence that the economy has not run out of steam.

The department, which released the index yesterday, had more good news for the Reagan Administration, as it fights to hold on to control of the Senate: a jump in factory orders of \$6bn (\$4.73bn), or 3.4 per cent, in September, the strongest increase for nearly two years.

President Reagan, out on the campaign trail this week, has been predicting an economic boom. Recent statistics, backing his optimistic claims, indicate that the combination of lower interest rates, a lower dollar against some key currencies and continued defence spending will swell the economy, at least in the short term.

On Thursday the department reported a slight improvement in the merchandise trade deficit, an estimated \$12.6bn in September, down from a revised \$14bn in August.

Earlier this month, the preliminary gross national product was estimated at 2.4 per cent, a marked increase in economic activity over the 0.6 per cent in the spring. New orders for manufactured durable goods rose 4.9 per cent in September, the largest one-month increase since November 1982.

Seven of the 11 department indicators were higher. These included manufacturers' new orders for consumer goods and materials, net business formation, contracts and orders for plant and equipment and money supply figures.

The department's index of coincident indicators, designed to rise and fall with economic activity, fell 0.1 per cent in September. The composite index of lagging indicators, which tends to trail economy trends, decreased 0.5 per cent.

Bokassa for trial

Former emperor Jean-Bedel Bokassa of the Central African Republic is to stand trial for murder and embezzlement, for which he was sentenced to death in his absence. President Andre Kotliko announced, Reuter writes from Bangui.

President Kolingba told a rally that Bokassa returned from exile last week with the aim of planning how to share the country he ruled from 1966 to 1979.

Bokassa, 65, returned unexpectedly from exile in France and was promptly arrested at Bangui airport.

Pakistan curfew

Authorities ordered a curfew on parts of Karachi and on Hyderabad city in southern Pakistan after ethnic clashes in which at least six people were killed and 20 injured, government officials said. Reuter reports from Karachi.

Greek cabinet change

The Greek cabinet has been trimmed from 48 to 36 by the elimination of a number of under-secretaries and the Ministers of Labour, Energy and Transport have been replaced. Mr Costas Papanastasiou, a lawyer, 46, was promoted from under-secretary to Minister of Labour in a move to appease the trade unions in the wake of this month's disappointing municipal elections. Andriana Ierodiencou reports from Athens.

Syria plan confirmed

Australia has confirmed it is to represent British interests in Syria following the break in diplomatic relations between London and Damascus a week ago. The confirmation follows Australian Government discussions with the British, US, Canadian and EEG Governments. Chris Sherwell reports from Sydney.

Bruising battle for votes in Australia's redneck state

Chris Sherwell in Brisbane on the poll hopes of Queensland's controversial premier

FROM THE Jacaranda-tinged hills of Brisbane in the south to the northernmost rainforest, from the coastal beaches to the dividing ranges and western plains, Australia's sunshine state of Queensland is echoing in the noisy sounds of extravagant political rhetoric.

For six weeks a bruising three-cornered election battle has dominated public life, with the aim of settling one question: can the controversial Sir Johannes Bjelke-Petersen, best-known and longest-lasting of all Australia's state premiers, retain power for another three years?

Deep North, white Brisbane is damned as Joburg. Sir Job's stands on political protest, censorship, gambling, liquor licensing, drugs, minority rights and conservation issues make Queensland look more repressive than elsewhere.

Nationally, tomorrow's poll seems unlikely to have much impact on politics unless Labor completely outperforms the other two parties.

Even when the party began governing on its own three years ago, Sir Job had to persuade two Liberals to defect in order to avoid ruling as the head of a minority Government.

The 1983 election was the pinnacle of Sir Job's political achievements. In 15 years he had doubled the party's percentage of the vote and changed it from a sectional rural party to one which displaced the Liberals, a far more powerful force nationally, as the state's main conservative party.

main commodity exports, coal and sugar, are low, and while the new tourist industry is expanding rapidly, unemployment has more than doubled in the past three years, making it among the highest in Australia.

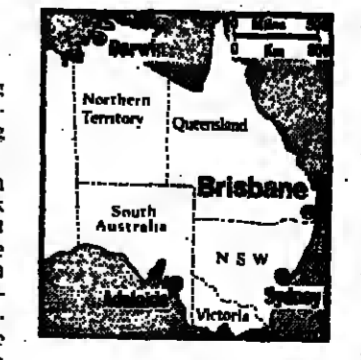
This does not sit well next to Sir Job's trumpeting about the success of his state's low-tax free enterprise policies. Just as unhelpful to the premier have been some recent political developments.

The Labor Party, which dominated Queensland politics for 38 years until 1977, has kept its organisation intact and found a new leader, Mr Neville Warburton. Its weakness, however, is the Government's unpopularity nationally—Mr Hawke was told not to go to Queensland.

The Liberals, paralysed in 1983 when their representation was cut by two-thirds, have recovered their balance under Sir William Knox, who led the party in the 1970s. Their weakness is that they are fighting on two fronts.

Each of the parties is claiming it will emerge victorious from tomorrow's poll, lending an air of unreality, not to say outright deception, to the affair.

Under the latest demarcation, 89 seats are being contested, seven more than last time. Because of the gerrymander, Sir Job's Nationals are believed to be sure of at least 35 or more of the 40 per cent of the vote. Privately, the Liberals look for 20, while Labor is capable of more than 30.



The price for this is likely to be a change in the electoral system, to allow something approaching one-vote, one-value, which is Labor's call. If Sir Job continues to resist this, others in the party may want him to step down. This is unlikely to be a painless process.

Even bigger complications seem likely if Labor should emerge with the most seats. The spotlight will then turn on Sir Walter Campbell, the Governor and a former chief justice, and the ingredients would be there for a crisis.

Handwritten text at the bottom of the page: 55 من الاصل

Mossad attacks Israeli internal security agency

BY ANDREW WHITLEY IN JERUSALEM

SHIN BET, Israel's internal security agency, still recovering from its public mauling over the killing of two captured Palestinians in 1984, has been accused of incompetence and serious lapses.

This time the charges have not been raised by human rights groups or disaffected former members, but by the Mossad's counterpart in external intelligence.

The accusations, brought to the attention of Mr Shimon Peres last month when he was Prime Minister, are the latest chapter in the unfolding mystery surrounding Mr Mordechai Vanunu, the Israeli technician who decided to tell the world about Israel's nuclear weapons.

His revelations about the nuclear research centre at Dimona in the northern Negev desert, where he had worked, went further than confirming long-held suspicions that Israel had become a nuclear power. They strongly indicated that Israel had amassed a large arsenal of atomic warheads.

At first, any strategic experts were inclined to believe that the Vanunu disclosures had been deliberately leaked by the Israeli authorities, as a warning to the country's hostile neighbours and, in particular, to Syria, which in recent months has stepped up its war threats against Israel.

This theory is now being discarded, as it emerges that the Mossad, which is believed to have brought Mr Vanunu back to Israel from London, is letting it be known that it is furious with Shin Bet for its security failings at the top-secret Dimona plant, for which it was responsible.

The alleged lapses include: Mr Vanunu's employment was maintained despite his well known pro-Palestinian sympathies and the fact that he became a member of the Israeli Communist Party after taking up his job with the Atomic Energy Commission.

No one stopped him taking a camera into the tightly-guarded underground bunker and taking dozens of pictures.

After being dismissed from the plant, on the grounds of instability, he was able to smuggle his incriminating film out of the country.

Security sources point out that, whereas government employees in sensitive positions are usually screened by Shin Bet at six-monthly intervals, in the case of the Dimona plant this was supposed to have taken place quarterly.

The head of Mossad, furious at the alleged mess made by its long-standing rival, is said to have complained directly to Mr Peres at one of their weekly meetings. But Mr Peres was in his last days in office and is said to have discouraged an investigation on the grounds that Shin Bet had suffered enough lately.

Despite Mr Peres's wish not to get involved, well-informed sources say an investigation has already been launched into the most damaging revelations Israel has faced in many years.

In a case which evokes strong echoes of the attempted kidnapping in London in July 1984 of Mr Umaru Dikko, a former Nigerian minister, Mr Vanunu disappeared in London on September 30 only to reappear, secretly, before a judge in Jerusalem three weeks later.

Two Israelis involved in the Dikko incident are serving jail sentences in Britain, though the Israeli Government — then, as now, headed by Mr Yitzhak Shamir — denied any knowledge of the affair.

Lords changes to City bill approved by Commons

BY IVOR OWEN

MPs YESTERDAY finished considering the 581 Lords' amendments to the Financial Services Bill and cleared the way for the Securities and Investments Board to be designated early next year as principal instrument for administering the investor-protection machinery of the bill.

Mr Michael Howard, Corporate and Consumer Affairs Minister, told the House he expected the self-regulatory organisations, which will oversee various sectors of the financial services industry, to be formally recognised late in 1987.

In a statement shortly after the Commons agreed all the amendments, he said the time was approaching when practitioners would have to decide how they fitted into the regulatory framework.

"I want the new regulations to come into effect about this time next year," he said.

Mr Howard forecast that the bill, which will receive royal assent next week, would grow in stature "not because it reduces the risk inherent in any investment, but because it has the flexibility to extend the investor-protection net to the most innovative investment opportunities that, one day, might be targeted at investors."

During the final stages of the debate, Mr Bryan Gould, Labour trade spokesman, and Mr Anthony Nelson, Conservative MP for Chichester, suggested the SIB should examine the collapse of McDonald Wheeler, the Canterbury firm of licensed dealers, which had taken £9m of small investors' money.

Mr Gould said Mr Wheeler, the man concerned in setting up the company, "had, to say the least, somewhat doubtful antecedents."

He called for arrangements to ensure the compensation provisions in the bill would, in future, enable small investors affected by the collapse of similar companies to recover at least part of their losses.

Mr Nelson argued that the requirement for those authorised to engage in an investment business to contribute to a compensation fund, either within an SRO or centrally, would encourage the reporting of "suspect cases."

Mr Tim Smith, Conservative MP for Beaconsfield, agreed that the McDonald Wheeler case had reinforced the argument for providing better protection for the small investor.

He said: "I am clear about McDonald Wheeler. The man is a crook. He told lies to the Financial Intermediaries Managers and Brokers Regulatory Association."

out by the association that had revealed what was going on at McDonald Wheeler.

Mr Howard confirmed that the bill was designed to ensure that in future the best protection reasonable was provided for such investors as those who had entrusted their money to McDonald Wheeler.

He said the bill did not set a maximum limit to payments to a single investor because the Government believed it was preferable to allow the SIB to seek to make the best provision it could.

Mr Howard maintained that investors would not benefit from an "extremely high notional limit" for the amount of compensation which could be paid to a single investor if it involved levies which drove many firms out of business or resulted in high charges to investors.

He told the House that only the Government would be able to activate the provision in the bill permitting an order to be made authorising — subject to safeguards — stabilisation of secondary issues.

Woolwich to build homes

By Hugo Dixon

THE WOOLWICH Equitable Building Society, Britain's fourth largest, aims to build 1,000 homes each year, mainly for old people and first-time buyers, said Mr Alan McLintock, chairman, yesterday.

This will be a key element in its plans for diversification when the Building Societies Act comes into effect next year. Other plans include marketing a wider range of insurance services, lending for purposes other than house purchase and strengthening ties with estate agents.

The society was also considering marketing personal equity plans and pensions and developing a money transmission service, Mr McLintock said.

The Woolwich also published its annual results yesterday. Assets grew by 15 per cent to £7.8bn, in the year to September 30 and net profits were £55m — up 70 per cent. The ratio of reserves to assets — an important figure as societies are being asked to increase their capital — grew from 3.7 per cent to 4.1 per cent.

The Birmingham Midshires Building Society, with assets of £1.7bn, is likely to merge with two societies, the Hemel Hempstead and the Harrow, each with assets of £50m.

Electricity industry accused of rejecting coal from Scotland

BY MAURICE SAMUELSON

MR GEORGE McALPINE, British Coal's director in Scotland, has accused the electricity industry of turning away Scottish coal while stepping up imports of French nuclear power.

In what appeared to be a call for greater independence for the Scottish coal industry, he said it was unfair he had no direct share in the negotiations between British Coal's national sales organisation and the main customers for Scottish coal.

Mr McAlpine, who has been in his post six months, set out his strategy for ending the losses of the last few deep mines in Scotland and warned of another big colliery closure if results had not improved by Christmas.

Although the Scottish coalfield as a whole is improving its performance, Mr McAlpine said its development strategy was hampered by uncertainty about the power-station market, his biggest customer.

The uncertainties had intensified over the past year because of the collapse in the price of oil. While power stations in England and Wales continued to burn their normal quota of British coal, those in Scotland and Northern Ireland maximised their oil consumption and drastically cut local coal orders.

Although the South of Scotland Electricity Board had concluded a new contract with British Coal, the tonnage was for 3m tonnes a year, from a previous 5m.

More serious, though, was the SSEB's failure to take the additional Scottish coal with which it was fully used during the pit strike but has been used very little since last winter.

"If you can bring in French, nuclear-based electricity, surely it's no less unacceptable to put Scottish coal-fired electricity into the grid," Mr McAlpine said.

Disclosing that he had never even met the chairman of the SSEB, he said: "I wish he and I could work more closely together in the interests of Scotland."

In the immediate future, his main anxieties will focus on the efforts of the Seafield colliery in Fife to raise its output to 3,000 tonnes a day. Failure to do so would "make it very hard for me to let the situation perpetuate itself," he said.

Assault on Seoul campus touches off further unrest

SOUTH KOREAN riot police used helicopters, teargas and water cannon yesterday to put down a revolt by students in Seoul, but touched off a fresh series of campus demonstrations and occupations, Reuters reports from Seoul.

An estimated 2,000 students clashed with police at six universities in Seoul and two in Pusan only hours after an assault force stormed buildings at the capital's Konkuk University and arrested 1,200 radicals who had kept them at bay for three days with rocks and petrol bombs.

In Pusan, South Korea's second largest city, a witness said 3,000 students staged a demonstration to demand the resignation of President Chun Doo Hwan.

After the demonstration about 900 students occupied libraries

at two universities in protest at the violent ending of the Konkuk revolt.

About 5,000 students in Seoul hurled stones and petrol bombs at riot police, demanding the release of the protesters arrested at Konkuk.

Some 7,000 police stormed the buildings at Konkuk and police said 23 people — 42 students, 38 policemen and two firemen — were injured in the biggest single student round-up in South Korea.

Police denied rumours that protesters had died in the assault, but said one student underwent brain surgery.

The demands of the protesters at Konkuk for national reunification, echoed North Korea's propaganda attacks on the South and Seoul accuses them of being communist sympathisers.

Africa urged to look to the free market

AFRICAN GOVERNMENTS have been urged by businessmen and development agency officials to encourage the private sector to plan an expanded role in trying to solve the continent's economic problems.

The call came at last week's conference in Nairobi on the Effective Private Sector Contribution to Development in Sub-Saharan Africa, which was attended by 150 representatives from international business, aid agencies and African civil services.

The need for an initiative towards freer markets was enshrined in the conference's conclusions. The meeting was arranged by the Aga Khan Foundation and jointly sponsored with the World Bank, the African Development Bank and the Kenya Association of Manufacturers.

The reminder that private investment can give impetus to recovery and development is timely. African economies are strangled by massive foreign debt, adverse terms of trade and sporadic drought.

The real growth rate for Africa's gross domestic product has averaged only 1 per cent over the past five years, compared with 7.6 per cent expansion for Asia, according to the World Bank's World Development Report 1986. Over the same period, per capita incomes have declined by 2 per cent a year, the report says.

Analysts agree that the continent's static one-third share of world aid will not be sufficient to erase national current account deficits. Aid to Africa is expected to remain stable at some \$9bn-\$10bn (\$6.3bn-\$7.1bn) for the next five years, according to OECD officials.

The World Bank's 1986 report has cited foreign capital as one of the means for severing dependence on the industrialised world. Yet lack of incentives and vacillating government policies have prompted a flight of capital from the continent. According to OECD statistics, 1984 saw a net outflow of \$324m. The outflow occurred primarily from Nigeria, Zaïre, Liberia and

The private sector could help to solve Africa's economic problems. A Special Correspondent reports from Nairobi

Congo. The conference identified overvalued exchange rates, harmful state intervention in marketing and pricing, a lack of regional markets and apparent bureaucratic indifference as some of the reasons for corporate reluctance to sink money into Africa.

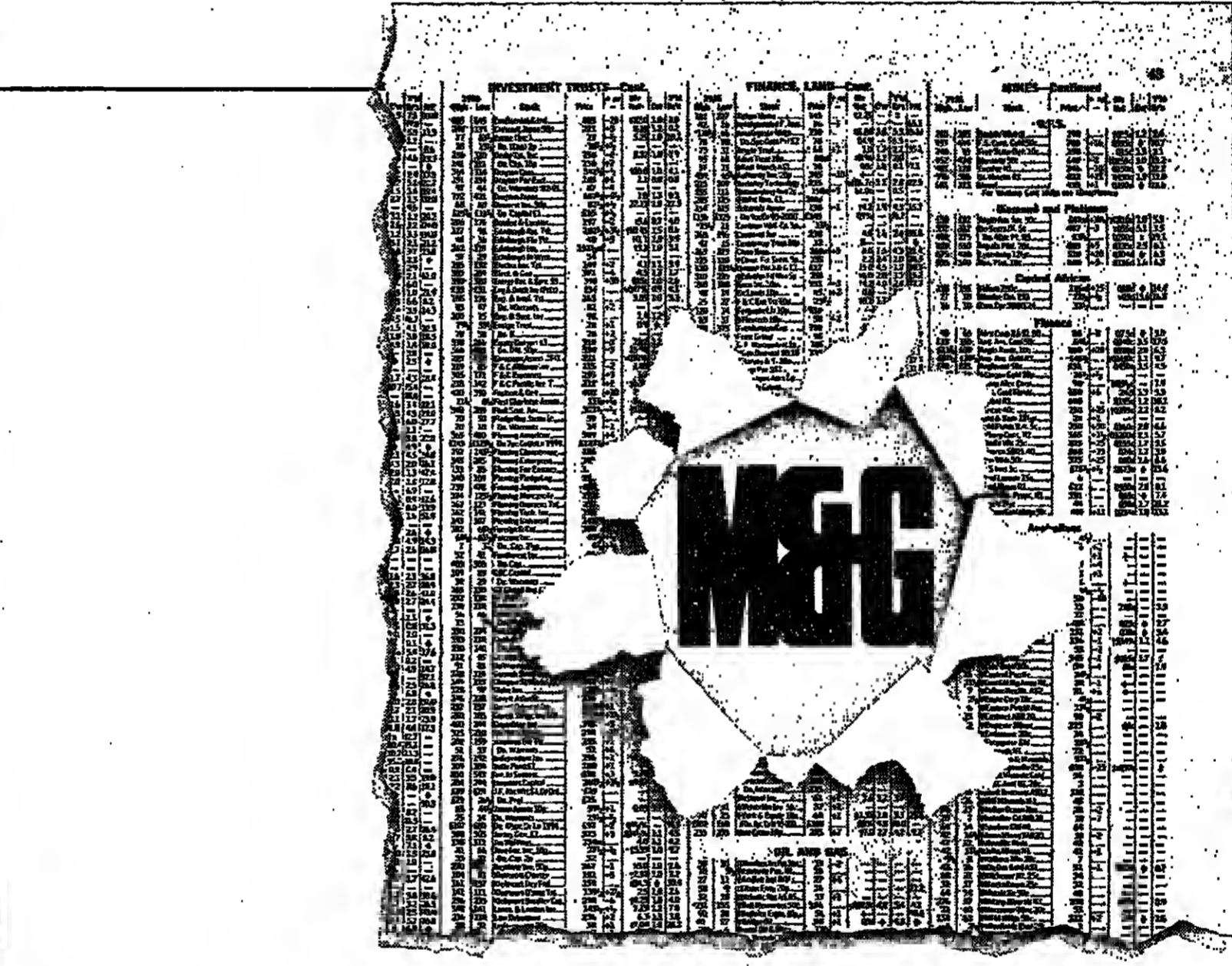
"A vast amount of the time of businessmen and women — both indigenous and foreign — is spent trying to meet the administrative and regulatory requirements of government," was one of the conference conclusions.

Some of the participants criticised the defensive or hostile attitudes adopted by some African governments towards private investment. E. J. Heinz, private investment, E. J. Heinz, the US-based multinational, expressed an interest in investing in the Ivory Coast one and a half years ago. The company still has not received a reply to its inquiry.

"The attempt was to try to punch a few holes in the wall between the private and public sectors so that dialogue can begin," said Mr Guillaume de Spoelberch, general manager of the Aga Khan Foundation.

Ironically, some of the recommendations for change put forward at the conference have already been implemented by ostensibly socialist states. Zimbabwe has incentives for keeping dividends within the country. Tanzania allows exporters to retain a portion of foreign exchange earnings abroad.

Massey Ferguson was praised for its vision in opting to rehabilitate Mozambique's tractor fleet rather than sell the cash-strapped country new equipment.



Soon, 28,000,000 shares in M & G will be made available to the public

Within the next week, Kleinwort Benson intends to offer for sale 28,000,000 of the ordinary shares it holds in M&G Group P.L.C.

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UK NEWS

Completion of N-plants delayed by wear problem

BY DAVID FISHLICK, SCIENCE EDITOR

A DELAY of several months is expected in completing Britain's latest nuclear reactors...

expected to authorise fuel-loading until convinced that a permanent solution has been found.

power was obtained from the new AGRs. Hopes by the two electricity companies for power about the end of this year had been dashed by technical delays.

Midland investment banking chief leaves

By Barry Riley

Mr Robert Logan, one of two chief executives of Midland Bank's investment banking division, is to leave the group at the end of the year.

Rees-Mogg backs BBC on Libya

BY FIONA THOMPSON

SIR WILLIAM REES-MOGG, vice-chairman of the BBC's board of governors at the time of the US air strike against Libya in April, yesterday strongly attacked Mr Norman Tebbit, Conservative party chairman, for his criticism of the corporation's coverage of the bombing raid.

his highly critical attack on BBC television's news coverage in a 21-page memorandum to Lord Barnett, the corporation's acting chairman, on Thursday.

general election. Sir William's advice to the present governors would be: 'Stand firm for the independence of the BBC.'



Sir William Rees-Mogg: coverage fair and proper

Kinnock unveils new role for DTI

By Robin Reeves

MR NEEL KINNOCK, Labour Party leader, yesterday appealed to British industry to help the next Labour Government implement a three-stage industrial recovery programme, presided over by a more powerful and interventionist Department of Trade and Industry.

Addressing members of the Wales Confederation of British Industry in Cardiff, he said the DTI under Labour would be radically revamped and become involved in the creation of industry, not just in supporting it.

Labour's model is the highly interventionist Japanese Ministry of Trade and Industry, he explained later. 'We are going to have to pick and nourish new industries—using high technology and high finance—and do it quickly because the oil money is running out.'

Our situation is now so serious that we cannot rely on market forces alone to allocate our scarce resources efficiently. Our Government must form, with industry, a clear discriminating strategy for investment and recovery—the guiding criterion being the need to improve trade performance.

Tighter Irish border security agreed

BY JOHN HUNT

FURTHER MEASURES for tightening cross-border security between Northern Ireland and the Irish Republic were agreed in London yesterday at a meeting of the Anglo-Irish conference.

Mr Tom King, Northern Ireland Secretary, said after the meeting: 'There is now a firm foundation laid for the best opportunity of improving cross-border security.'

Details of the agreements were not given for security reasons. But they are believed to include the use of computer links between the Garda and the Irish Army in the south and the Royal Ulster Constabulary and British troops.

There has been criticism that the Republic has been deploying too few troops and police on its side of the border and agreement was reached on the need to improve their strength.

supplies of arms and ammunition to the IRA were discussed. 'No progress was made on the possibility of establishing a tight code of conduct for the RUC as this is something being discussed by police staff associations. Mr King said that, although this was a matter to which the Irish Government attached great importance, it was not something which could be achieved overnight.'

The meeting, the 10th in the series under the Anglo-Irish Agreement, was also attended by Mr Nicholas Scott, Minister of State for Northern Ireland, Mr Alan Dukes, Irish Minister of Justice, Sir John Hermon, Chief Constable of the RUC, and Mr Larry Wrenn, Commissioner of the Garda.

Both sides were eager to demonstrate that progress had been made under the Anglo-Irish Agreement, which has its first anniversary in two weeks' time. Hard line Protestants in the north are planning demonstrations against it.

Clarke defends dole test

BY HELEN HAGUE

MR KENNETH CLARKE, Paymaster-General, yesterday defended the Government's new test of availability for work, to be applied to all new claimants for benefit from next week.

Mr Gordon Brown, the Labour Party's regional affairs spokesman, has called the revised arrangements a 'shameless and vindictive attempt to tap committed job-seekers into leaving the unemployment register.'

have to answer 12 questions. 'It seems as though people are suggesting we should continue to pay unemployment benefit to people who are not really looking for work at all,' he said.

'No one can surely think it right that we should pay unemployment benefits to people who have retired from full-time work, to people who cannot work because they are sick or whose family commitments mean that the range of jobs they can do or the distance they could travel are so restricted as to make it unlikely that they could ever take a job,' he said.

Mercury delays announcement of price cuts

By David Thomas

MERCURY Communications, a close competitor of British Telecom's main network, has delayed until next week the announcement of price cuts for some of its long-distance calls.

Engineering output recovery continues

FINANCIAL TIMES REPORTER

ENGINEERING output continued to recover in the three months to August, according to government figures.

photographic equipment, up 20 per cent; office machinery, up 17 per cent; clocks and watches up 14 per cent, and telegraph and telephone equipment, up 13 per cent.

down 11 per cent. In mechanical engineering, the best performances came in the supply of machinery. Textile machinery output was up by 30 per cent year on year, mining machinery up 29 per cent, and printing machinery by 22 per cent.

State pupils 'eat better'

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

CHILDREN WHO eat meals in state schools fare much better than those in fee-paying schools, according to the Egon Romay hotel and restaurant guide published today.

The guide says it had difficulty in gaining access to public schools. 'We would not wish one school to seem better than another particularly when our members are so fiercely competing for fees,' said the Headmasters' Conference, which controls boys' public schools.

The new order book for the industry overall showed a decline of only 1 per cent. In actual sales terms, the position for the quarter was similar, with a better performance in home markets being largely offset by a fall overseas.

Severn toll rise approved

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

THE GOVERNMENT yesterday won court approval for plans to double toll charges on the Severn Bridge, which carries the M4 from England to South Wales.

The High Court judgment was overturned yesterday by the Appeal Court, but the Standing Conference of South Wales County Councils said it would seek leave to appeal to the Lords.

FORCED DISPOSAL HIGHLY-IMPORTANT PUBLIC AUCTION OF SEVERAL HUNDRED EXCEPTIONALLY FINE AND MEDIUM QUALITY, HANDMADE PERSIAN CARPETS RUGS AND RUNNERS

APPOINTMENTS Head of finance at Lloyds Mr John Gaynor, former group financial controller with Imperial Group, is to become head of finance next month at the CORPORATION OF LLOYD'S.

First National Securities Ltd. First National Management Ltd. Home Loan rate will be 12 1/2%

BASE LENDING RATES Table with columns for bank names and interest rates.

CHARTERHOUSE BANK LIMITED MORTGAGE RATE Charterhouse Bank Limited announces that with effect from 1st November 1986 the Charterhouse Bank Limited Mortgage Rate will be increased to 12.25% per annum.

UK NEWS

BRITISH GAS PATHFINDER PROSPECTUS DETAILS

Sale emphasises small investor

BY MAX WILKINSON AND LUCY KELLAWAY

BRITISH FINANCIAL institutions may get less than one quarter of the shares in British Gas, when the corporation is privatised at the end of this month.

The Pathfinder prospectus for the sale, published yesterday, shows 40 per cent of the shares have been reserved for private investors, up to 20 per cent for foreign investors and 40 per cent for British institutions.

However, if the portion allocated to private investors is more than twice subscribed, other investors will have their allocations reduced by between 30 and 40 per cent. This is widely expected to happen.

The shares are to be priced at not more than 150p, which would give British Gas a maximum value of £6bn, and make this the largest flotation of shares ever attempted.

The Pathfinder presents British Gas as a robust company and forecasts that its operating profits, on a historic cost basis for the year to March 1987, will rise by £24m to £1.03bn. This is in spite of the adverse effects of falling oil prices, which caused some analysts to speculate that operating profits this year might show a slight decline.

The corporation's after-tax profit is expected to fall by 6 per cent to £677m, with earnings per share little changed at 13.9p.

The prospectus forecasts that, on a current cost accounting basis, British Gas's operating profits next year will rise to £787m, from £688m this year. The company will continue to use this method for calculating its dividend. The after-tax profit is forecast to rise 10 per cent to £442m, with earnings per share up by 26 per cent at 8.7p.

Some of this rise reflects the fact that the halving of oil prices since last autumn will slowly affect the price that the company pays for part of its North Sea gas, because its gas costs are linked by differing formulas to the price of oil, with a time lag.

Current cost profits will be

BRITISH GAS	
Countdown to the share offer	
Nov 21	Offer price announced
Nov 25	Prospectus published
Nov 25-30	Share application forms published
Dec 3	10 am—offer closes
Dec 8	Dealing starts

lifted by about £50m next year because the lower cost of gas will reduce the corporation's need for working capital.

Investors can expect a 4p final dividend this year. If the company had been in private hands all year, the expected dividend would have been 6.5p, implying a yield of 6.1 per cent at the maximum price and a cost to the company of about £280m.

Various measures announced yesterday are designed to attract as many private investors as possible:

- Payment in three instalments, of which the first will be 50p a share, implying £50 on the minimum 100 shares.
- A special reduced scale of dealing commissions for sales and purchases over the next two years of less than £500. Depending on the size of the trade the reduced commission will be between £3 and £10, compared with a usual Stock Exchange minimum of £15.

Those who buy shares at the flotation ("founder shareholders") are to be offered special incentives which may take either the form of bonus shares or a reduction of one's gas bill.

Bonus shares will be granted on the basis of one for every 10 bought at the time of the offer and held until December 31 1989, with the maximum number of bonus shares set at 500 per investor. This means that bonuses will be available for those buying up to 5,000 shares, which would be worth up to £7,500 at the maximum offer price of £1.50 per share.

Although the offer price will be somewhat less than this figure, the Government is

clearly aiming to attract relatively large investments from the general public.

As an alternative, founder shareholders may opt for gas vouchers, which will be issued at the rate of £10 for every 100 shares, up to a maximum of £250 of vouchers.

These vouchers may be cashed at six-month intervals from the end of June 1987 to the end of 1989. They will only be valid if they relate to shares held continuously from the flotation date.

The value of the vouchers that may be cashed on each qualifying date varies from £10 for the smallest shareholder (those with 100 shares) to £40 for those with more than 400 shares. Those with more than 2,500 shares could obtain five £40 vouchers and a final one of £50 at the end of 1989.

The shares are to be priced and underwritten simultaneously in London, the US, Japan, Canada and continental Europe on November 21. In all these places, the underwriters have promised to take a minimum number of shares at the offer price. Present indications are that they will want more than 20 per cent of the issue.

Arrangements to deter foreign buyers from selling the



Michael Richardson, managing director of N. M. Rothschild (left), and Sir Denis Rooke, chairman of British Gas, at the launch yesterday of the flotation prospectus.

shares to institutions soon after the flotation have been negotiated.

The prospectus will be advertised four days later and will be widely available in Britain at all post offices, British Gas showrooms, branches of the main clearing banks and through stockbrokers. Copies will be sent to all who have already registered interest in the sale.

Investors will then have more than a week, until December 3, to decide whether to buy shares, and to submit application forms. Dealings are expected to start on December 8.

During the next three weeks, British Gas and its advisers will take to the road again, making 19 stops in the UK to publicise the flotation.

The £2.5bn debt to be placed with British Gas by the Government will be a debenture loan repayable in slices over six years, with the first payment of £750m due in March next year. The interest on the debt will be between 10 1/2 per cent and 11 1/2 per cent.

British Gas said yesterday that the decision as to whether to repay the debenture out of the corporation's cash flow, or to refinance it, would depend on market conditions at the time.

acquire professional staff. The agency hopes this will be resolved next year when reorganisation has come into full effect.

The agency has also stepped up its monitoring of contractors and has started to revise continually its local tendering arrangements, in the hope of preventing a repetition of the alleged corruption that led to the fraud accusations.

In the year to last March the PSA spent £2.17bn on construction and maintenance of government property—up from £2.04bn the year before.

LABOUR

Midland considers shedding 3,700 jobs

By Helen Hague, Labour Staff

THE MIDLAND Bank Group is considering plans to shut 450 branches and shed 3,700 staff by the end of 1989, according to an internal discussion paper obtained by the Banking, Insurance and Finance Union.

The Midland yesterday confirmed the authenticity of the document, which was presented to senior managers at a conference earlier this month.

Mr Alan Schouler, head of employee relations for the group, said the unions were aware of the bank's programme of rationalisation, made necessary by the drive to reduce costs and the changing needs of customers.

He said that no final decision had been taken on the extent of planned closures.

Mr Hedley Woods, Bifu's assistant general secretary responsible for the Midland group, accused the bank of deliberately withholding information about its rationalisation plans.

He said the union will be consulting its membership about the programme outlined in the leaked document, and called on the bank to disclose the full extent of its planned cuts.

Tax staff threaten legal bid to see Revenue budget

BY DAVID BRINDLE, LABOUR CORRESPONDENT

THE MAIN union representing tax officers is threatening legal action against the Inland Revenue to try to force it to disclose detailed, decentralised figures of the Revenue's internal budget.

The move by the Inland Revenue Staff Federation is the first of its kind by a Civil Service union since introduction of the Financial Management Initiative, by which budgetary control is devolved to local level within government departments.

In a letter to the Revenue, the federation has said its legal advice suggests that the union has a right of access to half-yearly budget figures sent to local managers.

The Revenue has refused to release these figures, which it says are for internal managerial use. The union argues that it needs to see them so as to establish prospects for staff

levels within each budget centre.

Mr Clive Brooke, IRSF deputy general secretary, said yesterday: "We can only get a true picture of the outlook for our members when we see the budget figures. If the Revenue has nothing to hide, why don't they show them to us?"

The union believes it has a case under the Employment Protection Act 1975, Section 17 of which imposes a duty on employers to provide recognised unions with the information necessary for bargaining. Cases are heard by the Central Arbitration Committee.

If the federation were to succeed in its claim, other Civil Service unions might achieve access to divisional budget figures under the initiative.

The federation says it is anxious about how the Revenue is financing its obligation under the 6 per cent Civil Service pay award this year, only 3.5 per cent of which was funded by the Government. The Revenue has assured the union it can stick to existing staff plans that envisage a cut of only 3,000 by April 1988 in the current total of 69,000.

The Revenue said yesterday its policy was to provide the union with overall budget figures and quarterly information about expenditure to date, but that broken-down divisional figures were in a different category.

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Contempt judge calls Maxwell

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR ROBERT MAXWELL, chairman of Mirror Group Newspapers, was summoned to the High Court yesterday to give evidence in contempt-of-court proceedings against the National Graphical Association and two of its Daily Mirror chapels (office branch officials).

Mr Justice Macclesfield, who last month had refused to let MGN drop the contempt proceedings it had initiated, directed that Mr Maxwell and eight other MGN executives should come to court to be cross-examined by the union's counsel about an alleged breach by the union of a court order.

The hearing was expected to last only a few minutes, as the

NGA officials, Mr Tim Harrison and Mr Laurence Wells, father and deputy father of the graphics chapel at the Daily Mirror, had put in written statements apologising if they had been guilty of contempt by breaking a court order.

Their statements, however, failed to satisfy the judge. He said: "It is called an apology, but I have never seen anything quite like it dressed up as an apology. If, which is not admitted, we are at fault, we are sorry. Apology involves an admission of fault and an expression of regret. I find neither of those things in these affidavits."

MGN had complained that a

court injunction ordering the NGA not to disrupt production of the Daily Mirror had been broken by a mandatory meeting of the graphics chapel on September 18.

The company tried to withdraw the contempt proceedings after Mr Maxwell reached an agreement with Mr Tony Dubbins, the NGA general secretary, that there would be no further disruption.

But the judge said last month he could not turn a blind eye to what appeared to have been "outrageous defiance" of a court order by Mr Harrison and Mr Wells.

The hearing will continue on Monday.

Burnham chairman picked for Acas council

By Our Labour Correspondent

THE INDEPENDENT chairman of the Burnham Committee, which negotiates teachers' pay, has been appointed to the governing council of the Advisory, Conciliation and Arbitration Service.

Sir John Wordie, a barrister who is deputy chairman of the Central Arbitration Committee, is the one newcomer to the Acas council appointed yesterday by Lord Young, Employment Secretary, to serve until April 1989.

Two vacancies were created by decisions not to reappoint Mr Laurie Hunter, professor of applied economics at Glasgow University and a council member since Acas was founded in 1974, and Mr Ben Roberts, former professor of industrial relations at the London School of Economics.

Compensation deadline for printers

BY HELEN HAGUE

PRINTWORKERS sacked by News International, Mr Rupert Murdoch's company, have been given nine days to apply for individual compensation pay-offs to end their involvement with the nine-month-old dispute.

Yesterday Mr Murdoch wrote to the 5,500 printworkers, sacked after they went on strike,

inviting them to accept the offer they rejected collectively in a ballot earlier this month.

The "termination payment" offers former employees who were totally reliant on the company for their employment four weeks pay for each year of service, subject to an upper limit of £205 a week.

In his letter Mr Murdoch states categorically that there will be no fresh talks with union negotiators. "I have to tell you that the company will make no further offers, nor will it re-enter negotiations with the unions."

The individual offer expires on November 10.

PSA 'seriously weakened' by staff cuts

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

THE Property Services Agency, which administers the Government's estate on 11.4m acres of land, has trimmed its staff to such an extent that, in some areas of its activity, it has been seriously weakened, according to Sir Nigel Mobbs, chairman of the advisory board to the agency.

The agency has been undergoing substantial reorganisation. Its recent history has been chequered, having included sharp parliamentary criticism of waste of public money, and accusations of fraud levelled

at some of its staff.

In its annual report, published yesterday, Mr Gordon Manzie, chief executive, said the PSA "is moving towards a tauter organisation, combining a keen competitive edge with a heightened understanding of clients' requirements."

"This had involved working off on-site maintenance work so as to permit concentration on more demanding 'greater input of professional and technical knowledge,'" Mr Manzie said.

"Since 1979 the PSA staff has been cut from nearly 39,000 to

25,400, of whom there are 8,674 professional and technical members.

Sir Nigel noted in his last contribution to the annual report—the advisory body having been wound up this year—that the reduction had not been selective. The PSA had been weakened in some areas and these reductions had taken places where the real workload had increased.

Although there have been no forced redundancies at the agency, recruitment has been cut and it has been difficult to

acquire professional staff. The agency hopes this will be resolved next year when reorganisation has come into full effect.

The agency has also stepped up its monitoring of contractors and has started to revise continually its local tendering arrangements, in the hope of preventing a repetition of the alleged corruption that led to the fraud accusations.

In the year to last March the PSA spent £2.17bn on construction and maintenance of government property—up from £2.04bn the year before.

ECONOMIC DIARY

TODAY: Sinn Fein annual conference in Dublin (until November 2).

TOMORROW: Tunisian general election. Gulf Co-operation Council has summit meeting in Abu Dhabi.

MONDAY: Financial Times conference "The City after the Financial Services Act" at Hotel Inter-Continental. W.L. EEC Internal Market Council meets in Brussels. Housing starts and completions (September). International Air Transport Association annual meeting in Montreux (until November 4). Teacher union NAS/JUWT begins selective industrial action. US construction spending.

TUESDAY: UK official reserve. (October). Capital issues and redemptions (during the month of October). European security conference in Vienna. US Congressional elections. Sainsbury Interim figures.

WEDNESDAY: EEC Fisheries Council meets in Brussels. Detailed analysis of employment, unemployment, earnings, prices and other indicators (November). Advance energy statistics (September). Market Research Society statement on changes in the British way of life since 1948. Consolidated Gold Field annual meeting.

THURSDAY: New COHSE general secretary announced. Royal Dutch/Shell Group third quarter results.

FRIDAY: International Ski Show opens at Earl Court (until November 16). EEC Standing on Employment meeting in Brussels. Lucas resigns. US unemployment figures (October).

Explosives may be used to demolish City building

BY WILLIAM COCHRANE

MEPC, Britain's second biggest property company, is considering using explosives to demolish Lee House, London Wall, in the City of London.

This would be the first use of explosives in the City to demolish a building of this type and size.

Mr Michael Cassidy, chairman of the City of London's Planning and Communications Committee, told delegates to the British Property Federation 1986 conference at Brighton on Thursday that the company expected to begin consultation next week.

Earlier this week the City planning committee gave the go-ahead in a large-scale MEPC office development scheme, bridging London Wall, part of it on the Lee House site.

Mr Ringer Squire, MEPC development director, said in Brighton that the company was considering demolition very seriously using explosives in the demolition. The building would be imploded, or made to collapse inwards.

Mr Squire said the company would consult residents, telling them what was involved.

Shake-out predicted in PC industry

BY DAVID THOMAS

A LARGE-SCALE shake-out can be expected among companies making personal computers, Mr Elisirio Pao, Olivetti's vice-president for strategy and development, told the FT's fourth professional personal computer conference yesterday.

There were about 350 PC companies in the world last year. By 1988, there would be fewer than 100, with only about 10 operating in all the world's main markets.

The nature of PC markets would also have changed fundamentally by then, too. By 1988, there would be 1.2m PCs using the new 84386 microprocessor, which would give the PC the power of some existing mini-computers. The mini-computer would be squeezed at both ends, by mainframes coming down in price and PCs increasing in power.

In the short-term, the key development would be linking PCs together in company departments to perform tasks now done by mini-computers.

Local area networks linking PCs would gradually take off. At present, the penetration of local area networks was less than 10 per cent in the UK and less than 5 per cent on the Continent.

In the medium-term, integrating telecommunications with PCs would be crucial. The industry did not yet have a clear answer on how to merge voice and data.

Dr Richard Bennett, manag-



ing director of Philips Business Systems, questioned whether it was right to set rigid PC standards: at too young and its industry was too young and its products were at present too complex for many users.

Mr Roger Kernisch, Apple Computer's European general manager, agreed and said sales were being hit by the failure of most of the industry to make PCs use easy for customers. Potential buyers were holding back because of the cost of time and training.

It was important for PC makers to differentiate between products offered. Otherwise competition in the industry would be purely on price, with increasingly bitter infighting.

Mr Paul Bailey, European vice-president for Digital research, said that, as PC

machines became standardised, added value in the industry would be increasingly in software.

Software developers were under a number of conflicting pressures, including increasing PC capabilities, making PCs easier to use, and cutting prices.

Cutting software prices was being forced on software developers as hardware costs decreased. The key to future growth was making PCs more accessible to users and the industry had to cater for users who were not computer-literate.

A new generation of graphic software was helping with this. It was crucial to make such software consistent across all the uses to which PCs could be put and these were increasing all the time. Mr Sam Wiegand, president of GRID Systems, predicted the market for "laptop" or portable PCs was about to take off.

Laptops had not lived up to past expectations because the market had been approached by thinking simply in terms of the technology, not needs of potential customers.

Portable PCs were relevant to many different users, including professional workers in the field, such as salesmen, who were not used to having administrative back-up, and traditional office workers, who wanted smaller desk-top units.

The image conjured up by

the term "laptop" was, in fact, misleading. The classic laptop users — journalists and people taking their PCs to the beach — were not numerous enough to fuel rapid growth.

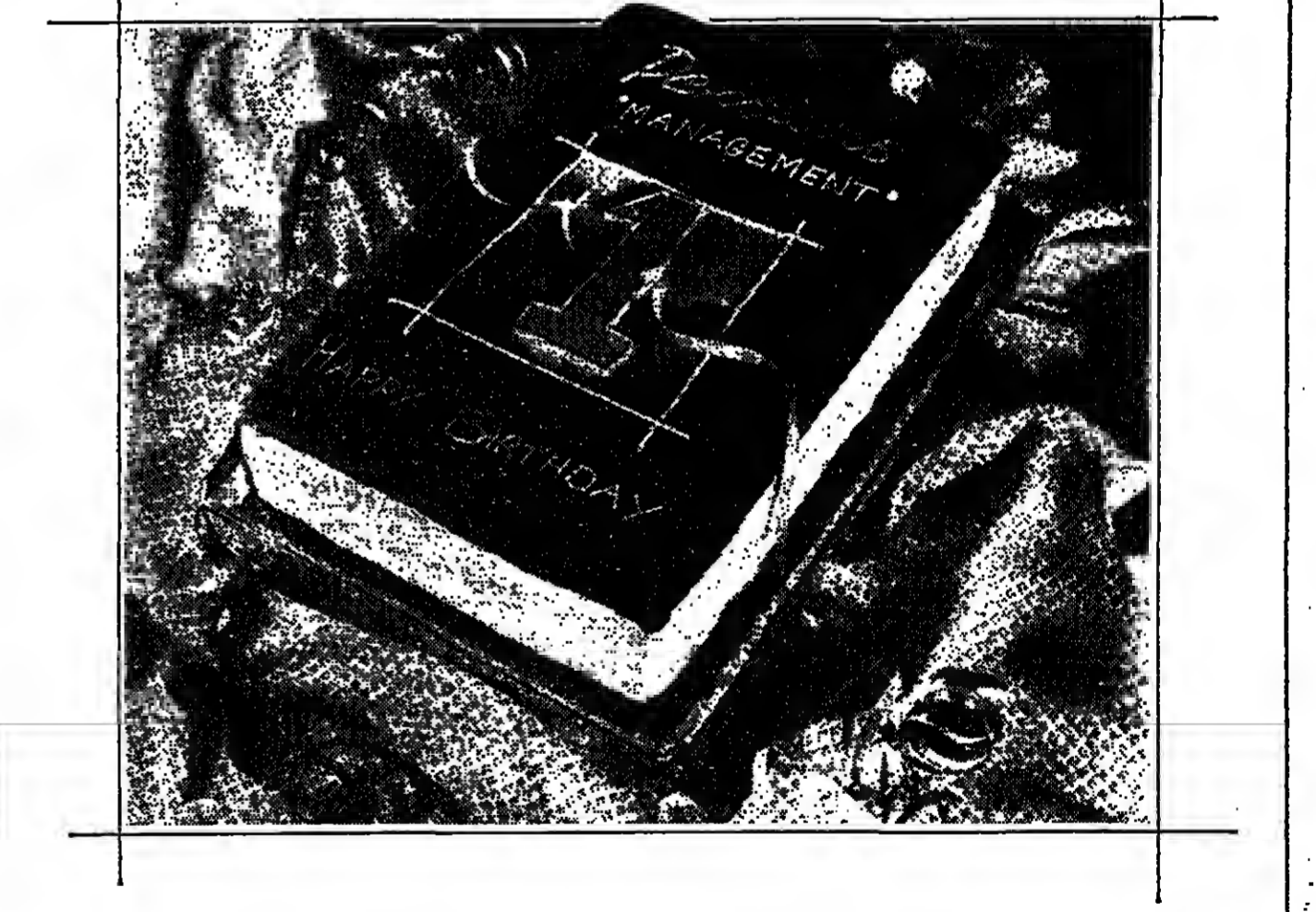
Mr David Henderson, marketing manager for Grand Metropolitan's information services division, argued companies were still not giving enough attention to managing PCs as a corporate resource. Only in the past couple of years had PCs figured in companies' information services strategies.

Management issues covering PCs were: deciding who should have access to particular types of information; judging what information should be on a PC and what on a mainframe; organising the installation of PCs; managing communication between a company's computers; establishing a training programme; and managing the PCs' cost.

Dr Bryan Mayh, Littlewoods director of management services, said companies should set up an information centre aimed specifically at stimulating interest among its employees in PCs and then managing the technology's introduction.

This was particularly important when dealing with users who had no prior knowledge of computing and who in the past assumed that computing was the responsibility of specialists within their company.

Many Happy Returns



Money Management take great pleasure in wishing our little sister, Pensions Management, a very happy first birthday.

Launched a year ago this month Pensions Management was born with the express aim of becoming the most authoritative voice on all things relating to pensions.

Since that date Pensions Management has gone on to become the largest selling pensions magazine in the UK.

Pensions Management is celebrating this month with a survey on Self Employed Pensions (complete with a birthday cake on the cover!)

You can get your hands on a copy of the birthday issue for only £1.75 from your newsagent (when you're in buying the November issue of Money Management, of course).

FINANCIAL TIMES

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The isolation of Europe

THE European Economic Community is still the world's biggest trading block; but politically, it has less clout as a group than even its smaller individual members can wield. This is, of course, very far from what the architects of the Community always expected that for a few years the members would be too concerned with their internal affairs to look outwards. However, they would have been very depressed had they foreseen that nearly 30 years' operation has still produced so little collective clout.

The evidence becomes clearer every day. Yesterday the US and Japan announced an agreement to try to stabilise the dollar-yen exchange rate. The Europeans, notably the Germans, had certainly been consulted at great length, but when they refused to join in a co-ordinated adjustment, the other two currency blocks evidently felt quite comfortable at leaving them out.

This should, in its way, create just as much alarm in the American capitals as is already being expressed over the fact that the American and Russian leaders recently came near to a disarmament agreement which would go a long way to disengage the US from European defence.

However, the message of the exchange rate agreement is to take some care to stick in. For the time being, the Europeans are too preoccupied with their inability to agree on even a token diplomatic response to Syrian-backed terrorism to think collectively about more important problems.

The arguments which led to the decoupling of exchange rate management, which was supposed to be a world-wide affair since the Plaza agreement 13 months ago, have been repeated at tedious length. The Americans have always been concerned that their own efforts to check their slide into deficit would be both ineffective and would deflate world-wide demand unless their trading partners made a balancing shift.

The evidence now seems to have persuaded the Japanese that these fears were justified. The US trade balance may now have stopped deteriorating; but if it has, this is mainly because the US economy is still as sluggish as ever. US business opinion now appears to expect little or no growth in the current quarter, after an

apparent recovery in the third construction, consumer incomes, personal borrowing, and most business investment are all slowing.

In Japan, where the rise of the yen has painfully deflated profits, there is now an actual recession. The Government is responding with a bigger fiscal package than was once planned, and this has now been supported by a cut in interest rates. It is these moves which have made an agreement with the Americans possible.

In Europe, however, there has been no response, despite the fact that Mr Jacques de Larosiere of the IMF has now added his voice to that of the US President and Treasury Secretary in urging a more outward-looking approach. The German Government professes confidence in Germany's own growth prospects, though German industrialists are increasingly doubtful, while the critics in Washington argue that the projected 3 per cent of German growth is quite inadequate either by domestic standards—this is a recovery from stagnation—or in the international context.

Honest brokerage
The British Government appears to be at least half-hearted in the US case, and Mr Nigel Lawson, the Chancellor, has been trying a little honest brokerage between Bonn and Washington. Bonn seems more concerned to lecture the UK on the need to join the EMS; and Mr Lawson's experience does suggest that Britain pays a price in political influence in staying outside.

However, this is the Community not calling the British kettle black; because the EEC attitude to international policy co-ordination is very like that of Britain to the EMS, to support it in principle without actually joining in. The immediate danger is that this will leave the EMS currencies liable to be driven up by speculative pressures, thus transferring the squeeze on margins and external demand from the Pacific basin to Europe.

A bigger longer term threat to European interests may emerge in the trade talks which are now in their preliminary rounds; for it is becoming clear that the EEC's farm policies are now being seen as a major obstacle in Canberra and in Latin America as they have been in Washington. The EEC has not yet started to think how to make these farm policies internationally acceptable; yet it may find that without this, it has nothing to bargain with. It is becoming clear that it is more comfortable for the outside world to ignore Europe than for Europe to ignore the outside world.

BY SEVEN o'clock on the morning of Big Bang, October 27, the network of computers which provides the power for the Stock Exchange's electronic information services had been running for 90 minutes.

In the twin operations room in Christopher Street, just north of the City, and in the Exchange Tower, technicians were carrying out routine preparations for the first of the market-makers to "log-on" to the computers of the Stock Exchange Automated Quotations System (Seaq).

Mr George Hayter, director of information services and chief architect of the Seaq system, was following progress on computer screens in the customer complaints section. Mr Michael Newman, his deputy, was finishing his bacon and eggs in the canteen below.

As log-on time approached, the technicians grew more nervous. The chief concern was that the market-makers, many of whom had been suffering well publicised difficulties with their own systems, would have difficulty logging on or putting in their trade reports.

By 8.15 the tension had evaporated as market-maker after market-maker logged on without incident.

It was not until 8.25 that the technicians were suddenly alerted to the risk of the computer systems failure which now seems likely to blight the first six months of the newly deregulated markets.

As stockbrokers and market-makers poured into their new offices and switched on their screens to try out the new system, the capacity meter in Christopher Street shot up minute by minute. 85 per cent, 95 per cent. At 8.29 the 100 per cent figure showed up, the alarm bell rang and the system went out of action.

Seaq and the related Topic system which disseminates prices to investors and market-makers were designed as a centrepiece of a new market. They were introduced to enhance the efficiency of the new dealing system, giving investors quicker access to share prices and better protection by allowing the exchange to record and monitor transactions.

This week's failings have been in the Topic price dissemination system, which has been beset by a series of breakdowns and technical failures and producing only a stripped-down information service.

The Stock Exchange has heaved the critics, Sir Nicholas Goodison, the chairman, said he was happy that the Seaq service, which collects and stores the information about prices and transactions, was working effectively. The difficulties had arisen from the unanticipated demand to view the Topic pages.

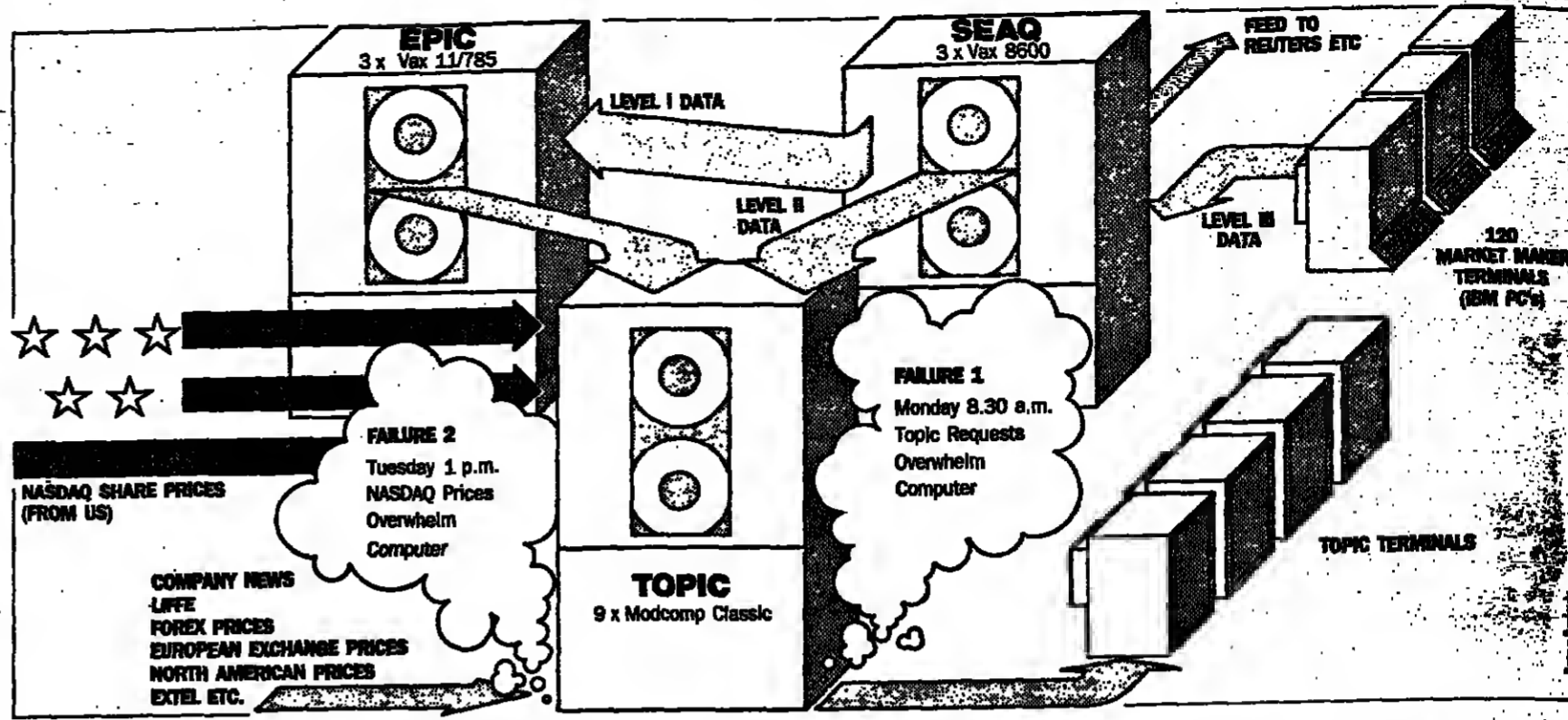
Such fine distinctions were lost, however, on the increasingly frustrated brokers and market-makers. They have been unable to find out share prices at crucial moments, or to change the prices at which they themselves are prepared to deal. Some market-makers such as Barclays and Zoete West had had to cut by half the number of Topic terminals they have in use.

The difficulties have added to their anxieties of adjusting to entirely new relationships with their investment clients, counterparties and competitors. In some cases, the tension reached breaking point, as Sir Nicholas himself discovered when he was bombarded by complaints from dealers at his own firm, Quilter

THE CITY REVOLUTION

A shadow at dawn

By Clive Wolman



Goodison.

The issues that have been raised go well beyond the technicalities of computer hardware and software. Should the Stock Exchange ever have attempted to set itself up as a developer of new technological systems with global ambitions? And should it have used its position as the regulator of the main UK securities markets to ensure that its own Topic system is the primary supplier of price and trading information to investors in the City and overseas and to keep out competitors such as Reuters, Teletext or Quotron?

Big Bang, after all, was prompted by the attack of the Office of Fair Trading on the restrictive practices of the Stock Exchange. The effect has been to sweep away all obstacles to competition between the Exchange's member firms. Only recently, however, has the issue of competition extended to the price dissemination and other services provided by the Exchange itself.

The embarrassment to the Exchange arises from its failure to anticipate the overload on the Topic computers caused by requests for "pages" of information from Topic customers and by the streams of information from organisations such as Nasdaq, the US electronic over-the-counter market on which Seaq is modelled.

The level of page requests on Monday was at least double that allowed for by the Exchange authorities. At first it was thought the problem was the result of allowing all 9,000 or so Topic subscribers access to the more detailed market-maker information (the Level II service) rather than confining it to the 3,000 or so customers who pay special charges to receive it.

Next day, however, with Level

II access restricted, the system worked well until at the beginning of the afternoon an electronic stream of prices arrived from Nasdaq and forced the system off the air again.

How could it happen? The Exchange's large and competent development team have been working overtime for weeks. Computer Sciences Corporation, the US consultancy called in to oversee the Seaq development, signalled last week to the Department of Trade and Industry and to Downing Street that all systems were go.

The Topic computers are not at fault. They are built by Modular Computing Systems Inc of Florida and are widely used in high-speed information systems. But they were never designed to stand up to the kind of load which the Exchange placed on them this week. There are suspicions that the Exchange was a victim of its own ambitions.

When the first plans for Seaq were laid two years ago it was for a very modest system, displaying only perhaps 300 of the most frequently traded stocks. At the time there were only some 2,500 Topic terminals out with market participants. As the project developed, however, more ambitious plans were developed to display prices for up to 3,000 stocks together with a raft of other information.

Mr Newman was confronted in 1984 about Topic's awkward method of updating prices, which would become a much more important function in the new system. Because a single price change requires several retrievals from the system, an overload could easily result.

Dr Lawrence Jacobs was a technical consultant to the Stock Exchange for nearly 12 years during the period the crucial decisions were taken on Topic and Seaq, until he left to take up a post as a lecturer in computer science. "It's easy to say now but I always thought that it would be too much to try and change everything on the same day," he said this

week. "The technical department overestimated their capabilities and possibly led the Stock Exchange Council up the garden path by trying to sell themselves as having the same expertise as a software house. They wanted to control their own patch."

The argument over whether the Stock Exchange should develop its own information systems or sell them off to Reuters dates back to the mid-1970s. The in-house development lobby ultimately triumphed.

Thus the Council members on the information services committee were particularly susceptible to the reassurances of the technicians that Topic could be developed as the new price dissemination system in-house. They were highly suspicious about letting Reuters or any other commercial service take responsibility for sending Stock Exchange prices to member firms and investors.

In response to the Reuters campaign, over the summer, the Stock Exchange backed down. It has now agreed to sell to Reuters and to any other information vendor all the price information on Seaq. It has not, however, yet agreed to allow Reuters to publish price-sensitive company news at the same time as it is broadcast over the Topic screens.

The Stock Exchange was always on weak ground. It appeared to be arguing that restrictions on the dissemination of information at the greatest speed to the widest audience somehow operate against the fairness of the markets. The counter-argument is that, even if deals are done away from the central market, investors and arbitrageurs will be aware of the prices at which they are being done and be able to exploit anomalies.

But having failed to let Reuters develop an alternative price dissemination service in 1982-84, London Stock Exchange members can now expect a period of some seven or eight months until Seaq and Topic performs up to scratch.

By January the Exchange should have a second Topic database up and running. By July it should have completed the very complex software needed to ensure that the system treats every market participant fairly, allowing everyone equal access to all the information on the system.

Meanwhile, the stockbrokers, market-makers and investors will have to improvise. Their main concern must be to minimise their risks from trading in a market in which the quantity and speed of information is often at a lower level than in the pre-Big Bang days, when Topic was a more humble information system. The greatest concern of the large securities houses, which now hold the dominant position in the Exchange, is that their information will discourage investors from buying and selling.

A fall in turnover would add to pressures caused by the cuts in commission rates and other changes in the new system, which most firms estimate have already reduced their commission income this week by about 50 per cent. It is this evidence of enhanced competition which allowed the Stock Exchange yesterday to claim Big Bang has been a success.

As all the expensive acquisitions of stockbroking and jobbing firms over the last three years have been based on the assumption that turnover is likely to rise sharply, the Stock Exchange's misjudgments over the last three years may yet have serious consequences.

I SHOULD state my theological credentials. I was initiated into the Faith at Candlestick by Mays, Marichal and McCovey. I was further enlightened at KRFK in the year Williams was shot. My novitiate was at Shea with Seaver, Koosmo and Kranepeal. My first ministry was at Memorial when Weaver's prize new acolyte was Murray. I was born again by Valezuela, a memento of whom still sits on top of my downstairs loo. I have made the long pilgrimage to Korakuen to sit at the feet of Oh. I have in my library all the new testament works of Angell, Kshn and Boswell.

My fellow missionaries have proselytised in every corner of the globe and have converted many to our cause. Even Japan, otherwise so irreligious, subscribed en masse. Yet the stoniest ground of all has been England, wet England, where adherence to the grill of the red hell and the fat bat seemed for so long impervious to our brand of ecumenism. When I recited my theology in the pubs of this land, I was never understood, except by expatriates from America.

Yet, as is the case so often in the modern world, we have been saved by an electronic ministry. A young priest named Tyler, from our sect at Channel Four, brilliantly divining that England needed the inspiration of television to take the mind off the awful ritual of Sunday lunch, has succeeded in diverting the nation away from the benedictions of the weekend world to the sporting religion that truly matters. Baseball has at last taken root in this green and pleasant land and has finally been seen by millions for what it is—the most skillful and deliciously tactical of all games in which a piece of wood does, or does not, make contact with a leather sphere.

Laurence T. Berra, the manager naturally known to all as Yogi, once said with a precision that is unique to him: "90 per cent of baseball is physical, the other half is mental." It can be debated if baseball or cricket demands greater skills. I would give a slight edge to the pitcher over the bowler, because of the emphasis on pure control, and to the batsman over the batter,

Man in the News

Davey Johnson

Mets slug Sox and now some Brits

By Jurek Martin



because of the greater variables of playing a ball off the ground. But what marks baseball out is the game when the mental wheels are not spinning at maximum revolutions; and the man who does that is the manager.

Which is why it is entirely appropriate that our man in the news is one Davey Johnson, a mustachioed, peck-faced 43-year-old from Florida and why it is understandable that he seems to live on a diet of chewing tobacco and satac pills.

For, on Monday night, Johnson's New York Mets finally defeated John McNamara's Boston Red Sox in the seventh and deciding game of this year's World Series of baseball. It was an immensely exciting championship round but it was not, if truth be told, memorably well played, as several star players on both sides failed to perform

to expectations. In the end, it was managerial decisions, and a bit of luck, that made the difference.

Managers come in all shapes and sizes and, because job security is never guaranteed, come and go a lot. The most indecipherable of the breed was Casey Stengel, whose last job, when an octogenarian, was as manager of the early Mets and whose contribution to baseball was perhaps secondary to his destruction of the English language; to the point where today a stengelism in America is roughly what a malapropism is here. One example, taken from Congressional testimony runs thus—Senator Kefauver: "I am not sure I made my question clear." Mr Stengel: "Yes, Sir, well that is all right, I am not sure I am going to answer yours perfectly, either."

Managers ought to be phleg-

matic, but often are not. Earl Weaver, the noted raconteur, gourmet, horseplayer and despot from Baltimore, could not abide nippers, whom he baited mercilessly and who regularly sent him to an early shower. He said he did it to motivate his players with his record—more wins than any other over 20 years—his madness clearly had a method. Billy Martin, of hisocial managerial fame and self-proclaimed founder of "hilly ball," had a deeper character flaw and used to take out his frustrations with his fists; a bout with an inoffensive marshmallow salesman blighted his career.

Some managers rule by instinct, some, like Weaver, with voluminous books on statistical probabilities (example: when, on a cloudy night, did the left-handed hitter Smith last get an extra-base hit off

the right handed curve ball pitcher, Jones with the bases loaded?)

Disingenuously, Davey Johnson has described his philosophy as KISS, or "keep it simple, stupid." At least this is what he claimed in a recent book, "Bats," so titled because an earlier baseball book, by the irreverent former New York Yankee, Graig Nettles, was called "Ball." But a close reading of the book and the evidence of his managing during the World Series reveals a much more subtle mind.

His particular ability is his development and motivation of young people. Yet, in the series, his two most luminous talents, the pitcher Dwight Gooden and the outfielder Darrell Strawberry failed to deliver. Unsentimentally, Johnson turned to veterans, his third baseman Rsy Knight (married to the golfer Nancy Lopez) and a pinchhitter, Lce Madril, whom Johnson himself had transferred two years before as part of his youth drive. Ironically, John McNamara's critical managing error for the Red Sox was to keep on the field an ageing gimpy-legged first baseman, whose error won the sixth game for the Mets.

Like some, but not all, successful managers, Johnson had a distinguished playing career and still holds the single season record for home runs (43) hit by a second baseman. Curiously, his worst year was the first of two he spent with the Tokyo Giants in 1975-76 (this weekend he is back in Japan playing for an American all-star team against the best Japan can field).

Playing prowess is not a prerequisite. Weaver only made it briefly into the big leagues while Casey Stengel, once engagingly observed: "I was not so successful as a hallplayer, but it is a game of skill."

But, in six years managing, three in the minor leagues and three-plus with the Mets, Johnson has never had a losing season. "My team," he said in Tokyo on Thursday, "won because it had more heart." He paused and added "wakaru?" ("understand?"). Mr Johnson will make believers out of many more of you.

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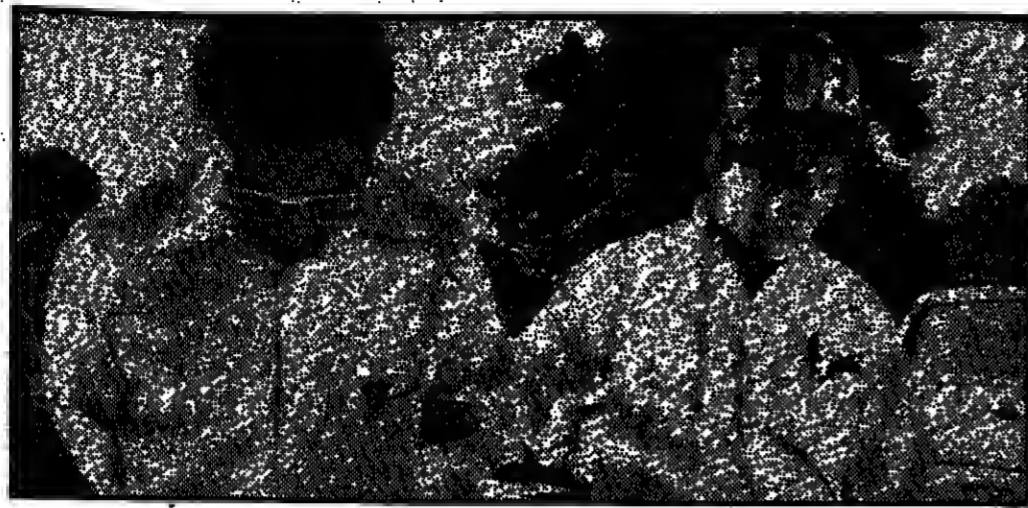
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MANAGEMENT GROUP

Corruption in the Turks and Caicos Islands

A little local difficulty

By David Lennon



A Chief Minister in handcuffs: Norman Saunders being arrested in Miami

ON THE SURFACE, the British West Indian islands of Turks and Caicos are an unspoiled Caribbean dream...

Hardly surprising, then, that Whitehall should have chosen a policy of benign neglect for the 9,000 inhabitants of the tiny island chain...

Today, however, the dream is far from reality. The elected Government has been dismissed, the constitution suspended and a previous Chief Minister, Mr Norman Saunders, is serving eight years in a US prison for drug-running offences...

Direct rule from Whitehall was perhaps the only feasible response to a chain of alarming events, which began a year ago with Mr Saunders' trial and conviction in Miami...

You have had many blots on British history and this is another one, declares Mr Nathaniel ('Bops') Francis, who took over as Chief Minister when Mr Saunders was jailed...

It was his Government which was dismissed in July after the first commission found him and four other elected members of the 11-strong Legislative Council unfit to hold public office...

The imposition of direct rule is downright ridiculous and unfounded. It shows the British imperialistic and colonialist attitude which one would have thought was abolished years ago, he says.

Mr Francis is a sprightly 74-year-old who claims to have fathered 40 children. His business card now has the word 'former' handwritten in front of the printed title 'Chief Minister'.

Until now the islands had two main claims to fame: here, almost 500 years ago, Columbus is reputed to have made his first landfall in the New World; Senator John Glenn splashed down nearby after becoming the first American in space and was deflected at the now abandoned US naval station on Grand Turk.

Though now in decline, drug smuggling, bringing huge payments for aircraft refuelling and other aircraft services, has been a major source of revenue in the last few years, and has attracted a DEA campaign.

If the Colombians want to sell it, and the Americans want to buy it, why should we refuse to help? says one islander. Half-way between Colombia and Miami, the location is perfect.

It is widely believed among the islanders that Mr Saunders, who ran an aircraft refuelling company, was entrapped by DEA officers as part of that campaign. Some see the plethora of commissions as London's response to US demands for action to end the islands' position in the drug trade.

Having investigated and punished the elected local politicians for administrative malpractices, some think Whitehall's next move is to investigate the behaviour of a British-appointed official to show that the Government is not just 'picking on the natives' to cover up its own negligence.

This they believe is the reason for the latest inquiry, now in session, into a five-year-old deal in which Crown land was granted to Raul Construction and Investments in exchange for building a causeway and dredging a channel linking North Creek and an inland waterway, with the sea. The development concept was to provide the island of Grand Turk with a badly-needed safe harbour.

He is supported by many people on Grand Turk, including Mr Francis, who describes the North Creek inquiry as an 'insult to the people', and says: 'No other country would accept this.' Others less beatifically wondered if the money being spent would be better invested in economic development.

Not everyone is as unhappy as Mr Francis about what has happened since the first inquiry commission. One of his former Ministers who emerged unscathed from that commission, Mr Ariel Misick, a London-trained barrister, believes that 'this is an opportunity to set aside party politics for a short time and give senior civil servants an opportunity to put the country on a sound footing.'

Mr Misick, who now serves on an advisory committee to the British Governor, reflects an opinion heard widely on Grand Turk when he says this interim period should not last for more than 18 months. This he believes will give adequate time for the commission on constitutional reforms, which begins work in November, to recommend ways of returning the island to elective politics and administrative autonomy.

To help bring about the necessary changes, the 34-year-old Mr Misick, says \$20m

should be invested in training and infrastructure over the next three years. This should be on top of Britain's annual \$1.8m in capital aid and \$3m in technical and development assistance from various sources.

The chamber of commerce, in a recent report, pointed to the lack of any significant growth in the economy over the past four years, the inadequacies of the expatriate personnel recruited to the islands' administration and the urgent need to upgrade the educational system.

'The young people,' says one businessman, 'leave school illiterate and with no hope of a job. The girls watch TV all day and eventually get pregnant. The young men end up on drugs.'

The dilapidated state of most of Grand Turk's buildings testifies to the poor state of the economy, which went into sharp decline with the collapse of the salt industry more than 20 years ago.

Attempts to develop tourism have yet to bear major fruit. The Club Mediterranée has built a resort for 800 guests on Providenciales Island. But, despite recurring rumours that some of the big American hotel chains might follow suit, this has yet to happen. British Caribbean Airways has just ceased operations to Grand Turk because of lack of business.

Financing Eurotunnel

Next round will not be a piece of cake

By Andrew Taylor and Paul Betts

FOR THE Channel Tunnel project, it has been a bruising week. In the end, the £200m needed to complete its international share placing was found, but only with a degree of last-minute arm-twisting...

The risks of things going wrong are very high and, with no dividends to be paid until after 1993, institutions are being asked to take an awful lot on trust, says one fund manager.

Eurotunnel will first have to show, and it has not done so far, that it has the management to run such a project and deliver it on time and within budget. Even then the modest rewards promised are such that it will not attract many institutional investors.

In the prospectus for last week's placing, Eurotunnel indicated a gross dividend return at the placing price of 17.3 per cent. Almost whatever assumptions you make about inflation, this represents a much higher return than the yield of around 4 per cent currently available on index-linked gilts.

A different perspective is provided by one of Britain's biggest insurance groups which did invest in the placing. 'Things can always go wrong, but that is the nature of risk investment. There are plenty of construction projects in this country and in France which are completed in time and within budget, and these have made a lot of money for those prepared to invest in them.'

The risks, for what we regard as a low-tech project, are not very high and will recede very quickly once the tunnel is operational. The consortium admits that it has been less than robust in countering highly publicised criticisms of the project's financial integrity and that it badly needs to raise its profile.

capital investment, with all the risks that entails, but which ultimately turns into a source of steady, secure income that will be comparable with index-linked Government stock.

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By restricting the issue to a small select group of players, the French were able to negotiate the financing behind closed doors. 'The institutions which have decided to participate in France form a superb group, or 'tour de table' as we say here,' said Mr Marc Tabouis, of Banque Indosuez.

Although at one stage it had seemed that one or two influential investors were wavering, the issue was completed without too much fuss.

In the US the placing was a disappointment raising around £15m of the £20m that had been hoped for. The US seems unlikely to be a major contributor to next year's share sale.

Japanese institutions, however, raised more than expected, although international confidence in the project must have been shaken by the events of last week. Eurotunnel has a lot of work to do to repair its image.

For French institutions, matters of concern were the newness of the company, the need for good managers to be appointed to run the project, and the need for the treaty and legislation to be ratified by the British and French Governments (including the awaited go-ahead for a French high-speed rail link to connect with the tunnel) and, at root, the balance between risks and rewards.

'I think this was the hardest stage,' says Mr Tabouis, of this week's negotiations, 'although the rest won't be a piece of cake, as you say in the UK.'

WHERE THE MONEY COMES FROM

Table showing equity breakdown: Founder shareholders (0.046), International institutions (0.206), Public offer for sale (0.748), Total equity (1.000). Interest on cash balances (0.040), Loans from main facility (3.696), Total (4.736).

Inflation and house prices

From Mr R. Crum. Sir, - Surely the link between inflation and housing can be simply put? On most payment systems you pay a fixed money amount monthly. When you take out a mortgage it represents a large proportion of your income. As inflation carries on, your money income goes with it and the fixed mortgage payments become steadily less burdensome. So most private house-owners benefit in a very direct way from inflation.

What is more interesting is the inconsistency between the different strands of government policy. On the one hand, the drive for private house ownership for lower inflation. Any young person would be very foolish to accept both goals. If they are taking out a large mortgage now take inflation is low then they are saddled with a heavy payments burden for life. In addition, given the reductions in the real value of child benefit and the drive to make parents pay for textbooks and the other essentials of schools, their costs will rise and they will end up in real poverty. For such people inflation is a necessary part of home ownership and home ownership provides a spur for wage inflation.

There's another nasty twist to the story. The more elderly members of society have all benefited from the mortgage/inflation relationship in the past. But if they are living on fixed pensions, inflation is their enemy. For young people with fixed mortgage payments, inflation is an ally. Behind the scenes there is an intergenerational conflict.

R. E. Crum. 89 Hall Road, Norwich.

An irrelevant concession

From Mr P. Roberts. Sir, - 'How house prices fuel wage increases' by John Mellibarsa (October 28). Surely the limitation of mortgage interest tax relief to £30,000 loans takes it out of the argument altogether. The high price inflation in homes has been consistently in the bracket at which this concession is almost an irrelevance, particularly in the case of trading up from, say, a £60,000 to a £100,000 house and £40,000 to £85,000. All the extra interest has to be paid by the borrower. His tax position is unchanged and, therefore, has no effect on the inflation in house prices.

Given this, the rest of the article, which is woolly and disconnected at best, falls to pieces completely. The 'If my analysis is correct...' is a strange summary to a string of apparently

Letters to the Editor

random consequences based on a false premise. P. S. Roberts, 103, Mount Street, W1.

Candour on the ballot

From Mrs M. Broadbent. Sir, - Mr Bing's (October 27) candour about the TSB balloting procedure is welcome, but it does not inspire confidence in the competence of the organisers of the ballot. Where is his evidence that there were few cases of whole families succeeding with all or none of their applications for shares?

Table with 6 columns: No. of applications, No. allocated, and 5 columns of counts (0-5). Rows show counts for 6, 5, 4, 3, 2, 1 applications.

By contrast, the same applications randomly selected would yield the following pattern of allocations:

Table with 6 columns: No. of applications, No. allocated, and 5 columns of counts (0-5). Rows show counts for 6, 5, 4, 3, 2, 1 applications.

A pronounced tendency towards the first rather than the second pattern of allocation would indicate that the procedure was being followed, even if it was misguided. Is Mr Bing really telling us that the execution of the operation was in practice so chaotic that random allocation was in fact achieved? My own family's experience was similar to that of Mr Deeley's informants of (October 21) - 0 out of 3. So I am inclined to give the organisers of the ballot high marks for execution but none for design. Fairness seems to have been sacrificed unnecessarily for efficiency. Perhaps some of the effort that went into weeding out multiple applications could have gone into thinking more clearly about what to do with the legitimate ones.

The implications for the Government's privatisation programme are disturbing. Not only was the issue itself tainted by a manifestly unfair system of allocation, which was not explained in advance, but also the Government's highly paid agents were evidently incapable of organising a simple lottery, scarcely a good advertisement for contracting out other forms of public sector activity.

Revenues from roads

From Mr D. Starkie. Sir, - Mr Diment of the British Road Federation takes you to task (October 28) for claiming that the Government fails to charge motorists for the cost of trunk roads and motorways. He responds by telling us that in total motor taxes greatly exceed road expenditures. This is rather like saying that the subsidy to British Coal does not matter because the coal industries of the world in aggregate make a profit. For informed debate what we need to know is the balance of costs and charges for particular parts of the road system at peak and off-peak times. One estimate published in 1979 showed that imputed revenues from the use of trunk roads and motorways failed to cover costs. It is possible, therefore, that you have got your facts right; Mr Diment has yet to demonstrate otherwise.

David Starkie, Garden Cottage, Marsh Benham, Newbury, Berks.

Tax short term gains

From Mr D. Dale. Sir, - The letters from Mr Pearce and Mr Cooke under your heading 'The contribution of the City to economic life' (October 28) expressed a growing conviction, now shared by Mr Lawson, that the short term attitude to profits in the City is contrary to the longer term interests of industry and of the national economy as a whole.

The Chancellor should have the courage of his latest conviction and tax short term capital gains heavily while abating the rate at which these gains are taxed for each year they are held - say 80 per cent reducing to 10 per cent over five years. This would help enormously to reduce the conflict of interest between investors - increasingly playing the role of absentee landlords - and 'their' companies, which worries Mr Cooke and is so

damaging to industry. The only people who would equal the stockholders who have a vested interest in a high rate of turnover of shares and stags who create no wealth. Douglas Dale, 97, Hilderstone Rd, Meir Heath, Stoke-on-Trent.

Relaxed lorry rules

From the Controller, SE Region, Freight Transport Association. Sir, - Camden Council's castigation of the London Residuary Body for 'relaxing' the London lorry ban permit conditions (October 24) is surprising, given that the LRB has simply returned to the rules operated by the GLC apart from the last few days of its existence.

The conditions the LRB supposedly inherited from the GLC had not, to our knowledge, been applied by the council. Furthermore, they were in conflict with EEC/UK legislation and the council's own policy statement.

As a result, companies were refused permits by LRB for refusing to make brake system changes which were not manufacturer approved, and which would have a deleterious effect on brake performance.

Design and operation of motor vehicles is covered by national and EEC legislation. If each local authority is to be allowed to promulgate its own variations the outcome, particularly for industry and commerce, will be chaotic. J. M. Gutteridge, Hermes House, St John's Road, Tunbridge Wells, Kent.

Slipping a century

From Mr M. Goldman. Sir, - Gracious heavens, what is the world coming to when a Fellow of All Souls slips a century? A. L. Rowse in a book review (October 25) states that 'Later in that century came Trinity and St John's, Jesus Wadham.' The first three were indeed founded in the latter half of the 16th Century but every undergraduate knows that Wadham was founded in 1610. Michael G. Goldman, 1 Lyndale Close, SE3

Slightly warped

From Mr J. Linfoot. Sir, - Is there a prize for spotting that last Monday's 'Lex' column was taken (in parts almost verbatim) from 'The Time Machine,' by H. G. Wells? J. S. Linfoot, Flat 10, Pembroke Court, Rectory Road, Oxford.

ADVERTISEMENT

Large table titled 'BUILDING SOCIETY INVESTMENT TERMS' listing various investment products, interest rates, and terms for different building societies.

UK COMPANY NEWS

David Goodhart on Hill Samuel's brush with the Takeover Panel Censure has its own rewards

IT HAS been a tough week for merchant bank Hill Samuel. Following a censure from the Takeover Panel last Monday, the bank—or at least its corporate finance arm—has felt under siege, even "witch-hunted".

of censure and waiving its own rules—to appear at their most effective. I & N had not come so close to taking AE first time round, then waiving the rule or not re-bidding for 12 months would have been irrelevant.

Group which claimed the high moral ground in the City over the Guinness affair earlier in the year when Wood Mackenzie (owned by Hill Samuel) re-acquired Guinness's broker.

Impresses most of course, is the fact that Hill Samuel has been prepared to take a £4m loss for a client.

Lonrho to appeal over court ruling on Fraser

LONRHO, the international trading and mining group headed by Mr Roland "Tiny" Rowland, last night announced it intended to appeal against a Scottish court ruling which would allow House of Fraser, the Harrods stores group, to become a private company.

Northern Foods' \$73m US operation sell-off

Northern Foods, the Hull-based food company, is selling the bulk of its remaining US operations to its minority partner for \$72.5m (£52m).

will acquire full control of three small Keystone subsidiaries. They are Havarprid of Birmingham, Alabama, which processes chicken meat; Cliffside Bakery of Toronto, Canada, which supplies meat pies to Marks & Spencer in Canada; and Keyser Group of Philadelphia, e carpet and upholstery cleaning company. Keyser is up for sale.

however. The result of the sale and the value attributed to the retained businesses amounts to \$100m compared with the original cost of the investment in 1970 of \$63m.

BANK TO REDUCE SA

Hill Samuel, which recently announced outline plans to reduce its stake in its South African subsidiary, yesterday said that the stake would drop from the current 71 per cent to less than 20 per cent of the offshoot's voting capital.

STAKE TO UNDER 20%

It said this would be achieved by converting 2m ordinary shares into deferred redeemable preference shares and by a rands 15.1m rights issue of 8.4m shares at R1.80 each.

renewed its rights in favour of new South African executives and local institutions.

The interim disclosed pre-tax profit increased to R1.74m in the six months to September 30 1984.

of 5 cents has been declared, while an extraordinary interim dividend of 13 cents will also be paid and allow the British parent to externalise funds at the current exchange.

In the last financial year earnings totalled 21.1 cents a share.

W H Allen and Virgin merge their publishing

W. H. Allen, the publishing company owned by Howard and Wynham, and Virgin Vision, Virgin Group's publishing arm, have merged their publishing interests. As a result, Virgin will become a substantial shareholder in W. H. Allen.

Bunzl buys Dialene for £11m

Bunzl, the acquisitive paper and plastics group, is making a recommended offer worth £11m for Dialene, the plastic compost bin to teddy bear's chair manufacturer which has been on the USM for less than a year.

agreed to accept the offer in respect of 2.59m shares, about 68 per cent of the group's share capital.

rights issue in September. In total, this is the 27th company. Bunzl has bought since February 1983.

Gresham House

Net profits of Gresham House, investment trust, fell from £247,000 to £225,000 in the first half of 1985.

SI downturn to £1.74m loss

LONG overdue figures for SI Group, manufacturers of drink dispensing and cooling equipment, show a slump into red in the 12 months to December 31, 1984. The pre-tax loss was £1.74m compared with a £1.49m profit in the 12 months to June 30, 1984.

aliation, during which the group's manufacturing activities have been consolidated at the Imperial Way, Croydon.

There was a tax credit of £597,000 (£375,000 charge) and a contra-charge credit of £55,000 (£15,000 debit), making the loss £1,740,000 (£1,795,000). The shares closed up 11p at 23p.

Cambium Venture

Cambium Venture Capital, the investment trust, announced a further pre-tax loss in the six months to June 30, 1985. The operating loss was £48,544 (£29,926) and there was no tax charge (£3,198).

Appleyard and Cowie talks fail

SHARES in Appleyard Group fell sharply yesterday after T. Cowie broke off talks about a possible bid for its fellow motor dealer. Both companies are based in the north of England.

against the interests of the company and its shareholders.

Cowie's statement announcing the end of the talks did not specify the next course of action.

GRANVILLE SPONSORED SECURITIES table with columns for High/Low, Company, Price Change, Gross Yield, Fully Taxed.

COMPANY NEWS IN BRIEF section with sub-headings for UK LAND, DAVID DIXON, WESTERN DOORS TRADING, VICKERS, BOLTON TEXTILE MILL CO., LG. INDEX.

Warner-Lambert buys Henara for £8m

Warner-Lambert of the US is to buy Henara in an agreed bid which values the hair and skin-care products group at £8.4m.

Matthey £15m US write-off

Johnson Matthey, the precious metals group, will write off another £15m on the loss-making US jewellery business which it sold more than a year ago.

group bought for \$157m in cash this week from Grand Metropolitan.

chased by Mr LeBow's master company in 1984.

DIVIDENDS ANNOUNCED table with columns for Company, Current payment, Date, Corre, Total, Total.

TRADING VOLUME IN MAJOR STOCKS table with columns for Stock, Volume, Closing price, Day's change, and another set of columns for Stock, Volume, Closing price, Day's change.

NEW HIGHS AND LOWS FOR 1985 table with columns for Company, High, Low, and Date.

LEADERS AND LAGGARDS table with columns for Stock, Change, and another set of columns for Stock, Change.

GRANVILLE & COMPANY LIMITED and GRANVILLE DRIVERS COLEMAN LIMITED contact information and member of the Stock Exchange.

INTL. COMPANIES and FINANCE

German insurer bids for BfG bank

WEST GERMANY'S fifth biggest insurer, the Aachen and Muenchener, which is 20 per cent owned by Britain's Royal Insurance Group, is negotiating the takeover of the Bank fuer Gemeinwirtschaft (BfG), the bank from the German trade union movement.

Ultimately owns the BfG, said yesterday it expected the sale to the insurance group to be completed by the middle of November.

The BfG, whose assets totalled DM 62.7bn at the end of 1985, is Germany's 12th biggest bank overall and employs about 8,000.

The purchase of the BfG would be the biggest inroad made into banking by a German insurer, although both banks and insurance groups have begun to graze turf on each other's traditional territory.

Strong third quarter for Aetna Life

By David Blackwell in New York AETNA LIFE Casualty, the largest shareholder-owned composite US insurance company, continued its strong momentum in the third quarter, lifting net profits from operations to \$198.9m from \$111.5m.

\$1.51bn offer for Lear Siegler

AFG PARTNERS, formed by California-based glass products maker AFG Industries and Wagner & Brown, a Texas energy partnership, is planning a bid for Lear Siegler, the aerospace, automotive products and electronics conglomerate at \$5 a share or an indicated \$1.51bn.

TWA makes steady headway

TRANS WORLD Airlines, the fifth largest US airline controlled by Mr Carl Icahn, the New York-based investor, achieved net income of \$65.2m for the third quarter, compared with a net loss of \$13.5m in the corresponding period last year.

Sumitomo Rubber deal with Dunlop US confirmed

SUMITOMO Rubber Industries, one of Japan's major tyre companies, confirmed yesterday that it has agreed to acquire a majority holding in Dunlop Tire Corporation of the US.

Shipbuilding recession hits Mitsubishi HI

MITSUBISHI Heavy Industries (MHI), Japan's largest comprehensive heavy machinery maker, had its pre-tax profits for the half-year to September cut to \$191m, a 31 per cent drop from \$277.3m in the same period of the previous year.

Enron blames dive into red on weak oil price

ENRON, THE big US energy group formed from last year's merger of InterNorth and Houston Natural Gas, has attributed a fall into the red in the third quarter to the continued depression of oil and natural gas prices.

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GM scales down Saturn project

GENERAL MOTORS, the biggest US car maker, has scaled down its Saturn small car project, initially publicised as a key part of GM's strategy to fight off foreign imports.

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WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities including metals, grains, and oil. Columns include commodity name, unit, and price changes over the week and year.

US MARKETS

PRECIOUS METALS futures traded sharply lower on the opening with the December gold contract totalling \$400m per ounce—its lowest level for two months—and platinum losing over \$15, as a strong dollar in the wake of the US/Japan pact helped to undermine a market which had surprised onlookers at the previous close.

ALUMINIUM

Table showing aluminum prices in different regions and grades, including London, New York, and Chicago.

INDICES

Table showing various market indices including Dow Jones, S&P 500, and Nikkei, along with their weekly and monthly changes.

COPPER

Table showing copper prices in different regions and grades, including London, New York, and Chicago.

COCOA

Table showing cocoa prices in different regions and grades, including London, New York, and Chicago.

LEAD

Table showing lead prices in different regions and grades, including London, New York, and Chicago.

POTATOES

Table showing potato prices in different regions and grades, including London, New York, and Chicago.

NICKEL

Table showing nickel prices in different regions and grades, including London, New York, and Chicago.

TIN

Table showing tin prices in different regions and grades, including London, New York, and Chicago.

ZINC

Table showing zinc prices in different regions and grades, including London, New York, and Chicago.

Table showing US market prices for various commodities including coffee, rubber, and meat.

Sydney extends daily futures trading hours

Sydney's Futures Exchange, which has introduced two new financial futures contracts in the past week, is to extend its trading hours still further to give an international triple overlap in daily futures dealing.

The decision means Chicago traders can deal in the Treasury bond contract and the new Eurodollar futures contract through both Life and Sydney.

The belief in Sydney is that a triple offset arrangement may at some point become feasible, extending to Chicago the current link between Sydney and Life which allows a contract agreed in one centre to be unwound in the other.

Yesterday in Sydney the Eurodollar contract's volume did altogether, with only some 15 lots traded, but volume was said to be low in Singapore

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WORLD STOCK MARKETS

NEW YORK

Table of stock prices for various companies in New York, including AAR, ABC, AMER, AMR, AVX, etc.

STOCK

Table of stock prices for various companies, including IBM, JNJ, KOD, etc.

STOCK

Table of stock prices for various companies, including AAR, ABC, AMER, AMR, AVX, etc.

HONG KONG

Little changed after a late rally on early losses. The Hang Seng index put on 2.82 at 3,218.63 and the Hong Kong index closed 1.64 higher at 1,465.95.

SINGAPORE

Buying interest and short covering pushed prices up over a broad front in active trading. The Straits Times Industrial Index jumped 16.66 to 937.37, highest since August 22, 1984.

AUSTRALIA

Australian shares closed at record levels as markets responded to higher oil and gold prices and downward pressure on interest rates.

TOKYO

The Nikkei Dow market average closed 100.32 lower at 16,910.63 on domestic demand centered profit-taking as the impact of an expected half-point cut in three per cent in Japan's discount rate had been discounted Thursday.

AMSTERDAM

Dutch share prices eased during the day after Thursday's highs triggered some profit-taking in moderate trade.

Mixed on mild profit taking

STOCKS TRADED mixed on Wall Street yesterday, with some profit-taking seen in the oil, advanced in the price of oil, advanced for the second consecutive day, while insurances provided much of the market's drag. The Dow Jones Industrial Average closed down 0.56 to 1,877.61 following a string of four advancing sessions, a rise of 45.55 on the week. The NYSE All Common Index, at 214.42, rose 1.24 on the week. Advances led declines by 84 to 67. Volume fell to 147.21 million (144.22) shares.

NEW YORK INDICES

Table showing various stock indices including Dow Jones, S&P 500, NYSE, etc.

STOCK

Table of stock prices for various companies in New York, including AAR, ABC, AMER, AMR, AVX, etc.

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STOCK

Table of stock prices for various companies, including AAR, ABC, AMER, AMR, AVX, etc.

Base values of all indices are 100 except Brussels 100. JSE 1000. NYSE All Common Index - 1899. All Ordinary and Extraordinary Shares - 100. Toronto Industrial Index - 100. Montreal Portfolio - 100. Excluding bonds, 400 Industrials plus 40 Utilities, 40 Financials and 20 Transport, 400 Industrials.

Handwritten note: "E.P. 11/1/86"

CURRENCIES & MONEY

FOREIGN EXCHANGES Dollar continues to rise

THE DOLLAR remained underpinned by Thursday's better than expected US trade figures in currency markets yesterday and news of an agreement between US and Japanese officials also added to the dollar's attraction...

Table with columns: Oct 31, Latest, Previous Close. Lists various currency rates including Sterling, Canadian, and others.

Table titled 'STERLING INDEX' showing index values for various dates from Oct 31 to Nov 1.

Table titled 'CURRENCY RATES' showing exchange rates for various currencies like Sterling, US Dollar, Canadian, etc.

Table titled 'CURRENCY MOVEMENTS' showing percentage changes for various currencies.

OTHER CURRENCIES

Table listing exchange rates for various international currencies such as Argentine, Australian, etc.

MONEY MARKETS UK rates down on firmer pound

INTEREST RATES were mostly lower in London yesterday in reaction to sterling's firmer trend. However, the market was in no way optimistic...

Table titled 'MONEY RATES' showing overnight, one month, and three month interest rates.

at yesterday's weekly Treasury bill tender the average rate of discount fell to 10.631 per cent from 10.635 per cent on the previous week...

Oil price hopes boost Gilts and equities

Oil prices rose to a four-day high yesterday, boosting government bonds and equities. The FT-SE 100 index gained 46.2 to 1,262.6...

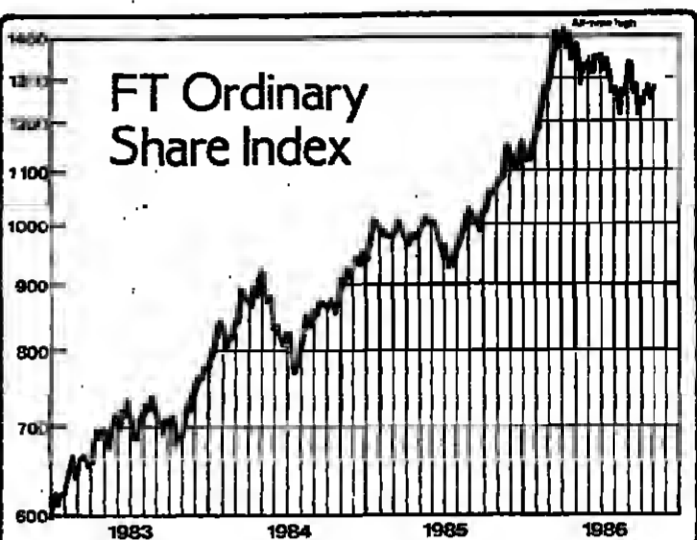
FINANCIAL TIMES STOCK INDICES

Table showing stock indices for various sectors like Government Securities, Fixed Interest, Gold Mines, etc., with columns for Oct 31, Oct 30, Oct 29, etc.

The Bank of England took the opportunity of a strong market for government securities to announce \$900m in new treasury bills...

The most active stock was Hanson Trust (224), which will be quoted next week in US markets in the form of American Depository Receipts...

Clearers up again As institutional investors yesterday came for TSB, other major clearers advanced in sympathy. NatWest led the way with a gain of 16 at 424p...



285p following an agreed offer of 289p per share cash worth some £11m from Bunzl.

Having been actively traded throughout the week amid intense speculation about a possible Gerald Ronson-led consortium bid for Robert Holmes à Court stakeholding manoeuvre...

LONDON TRADED OPTIONS

Large table showing call and put options for various stocks like Allied Lyons, B.P., Const. Gold, etc., with columns for option type, price, and dates.

Hanson Trust active

Hanson Trust, up 6 to 202 1/2p, were active traders in 25m shares changed hands yesterday...

Traded Options

The continuing strength of London equities stimulated a lively and well-distributed business in Traded Options. Total contracts transacted amounted to 37,688...

Traditional Options

First dealings Nov 3 Nov 17 Dec 1 Last dealings Nov 14 Nov 28 Dec 12 Last declaration Feb 5 Feb 19 Mar 5 For settlement Feb 16 Mar 2 Mar 16 For trade indications see end of Unit Trust Service

performer throughout October, rushed p 37 more to 105p following heard changes and the invitation to Mr Michael Moseley to join the board...

Two contrasting features emerged in Textiles. Both stemmed from brooking house predictions, with Courtaulds rising 4 more to 304 1/2p...

Kleinwort Benson's intention to reduce its shareholding in the bank from 42 per cent to only 5 per cent...

Oil's strong Saudi Arabia's re-stated objective of achieving an oil price of \$18 a barrel in the wake of the replacement of Sheikh Yamani...

A lacklustre week in South African mining markets finished on a predictably dull note across the board...

The share market, supported throughout the week by persistent interest from Johanneshurg, gave modest ground as investors there returned to the sidelines...

The overnight strength of the oil price prompted a sympathetic response in Australian mining issues. Thursday's bout of profit-taking...

Press mention and acquisition news prompted a rise of 5 to 92p in CE Industrials, while Renars advanced 11 to 68p on news of the agreed bid of 70p cash from Warner Lambert...

Newspapers continued this week's good run with the emphasis switching to Home Counties, 8 dealer at 21p, and Partsmore and Sunderland, 9 higher at 160p; the latter reported only marginally improved interim profits on Thursday. Thorpac, a strong...

LONDON RECENT ISSUES

EQUITIES

Table of equity prices with columns for stock name, price, and change. Includes titles like 'Barclays Bank', 'British Petroleum', etc.

FIXED INTEREST STOCKS

Table of fixed interest stock prices with columns for stock name, price, and change. Includes titles like 'British 10 1/2%', 'Government of Canada', etc.

'RIGHTS' OFFERS

Table of rights offers with columns for stock name, price, and change. Includes titles like 'British Petroleum', 'Shell', etc.

Recruitment data usually last day for testing free of stamp duty. A Annualized dividend, B Figures based on prospectus estimates, C Dividend rate paid or payable on part of capital, cover based on dividend on full capital, D Assumed dividend and yield, E Assumed dividend and yield after scrippage, F Percent dividend cover on earnings updated by latest interim statement, G Dividend and Yield based on prospectus or other official estimates for 1987, L Estimated annual dividend, cover and price based on latest annual earnings, P Forecast annual dividend, cover and price ratio based on prospectus or other official estimates, W Pro Form Figures, X Indicated dividend cover relative to previous dividend, Y Price based on latest annual earnings, Z Issued by tender, H Offered holders of ordinary shares as a 'rights' offer, I Issued by way of capitalisation, J Placing price, K Redeemed, L Issued in connection with reorganisation merger or takeover, M Additional price, N Unlisted securities, O FT London listing, P Including warrants entitlement.

MONTHLY AVERAGES OF STOCK INDICES

Table showing monthly averages of stock indices for October, September, August, and July. Includes indices like 'Financial Times', 'Government Securities', 'FT-SE 100', etc.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data with columns for contract name, price, and change. Includes titles like 'SHELL', 'BP', 'BHP', etc.

BANK RETURN

Table of bank returns with columns for bank name, return, and change. Includes titles like 'Barclays Bank', 'HSBC', etc.

ISSUE DEPARTMENT

Table of issue department data with columns for issue name, amount, and change. Includes titles like 'British Petroleum', 'Shell', etc.

AUTHORISED UNIT TRUSTS

Table of authorized unit trusts with columns for trust name, price, and change. Includes titles like 'Abney Unit Trust', 'Carnegie Unit Trust', etc.

FT UNIT TRUST INFORMATION SERVICE

Large table of FT Unit Trust Information Service with columns for trust name, price, and change. Includes titles like 'Lloyds Bank Unit Trust', 'Scottish Widows Fund Management', etc.

Table of Scottish Widows Fund Management with columns for fund name, price, and change. Includes titles like 'Scottish Widows Fund Management', 'Scottish Widows Fund Management', etc.

AUTHORISED UNIT TRUST & INSURANCES

Windsor Trust Managers Ltd
33 Kingsway, London, WC2B 6AD
City of Westminster Assurance
Century 1200 Avenue Road,
New York, NY 10020

INSURANCES

Table listing various insurance policies and providers, including AA Friendly Society, Abbey Life Assurance Co Ltd, Acton Life Insurance Co Ltd, and others.

Table listing various insurance policies and providers, including Family Assurance Society, Federal Life Insurance Co, and others.

Table listing various insurance policies and providers, including N & G Cross-Credit, Norwich Union Asset Management Ltd, and others.

Table listing various insurance policies and providers, including Prudential Assurance Co, Scottish Life Investments, and others.

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EXP 11/15/88

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds, including entries like 'Windsor Life Assur Co Ltd' and 'Windsor Life Assur Co Ltd'.

Table of management services, including entries like 'David M. Aarav (Personal Fin. Pln.)' and 'David M. Aarav (Personal Fin. Pln.)'.

Table of foreign and colonial investments, including entries like 'Foreign & Colonial Investment Ltd' and 'Foreign & Colonial Investment Ltd'.

Table of international and specialty funds, including entries like 'International Specialty Fund' and 'International Specialty Fund'.

Table of money market services, including entries like 'Schroder Money Services (Jersey) Ltd' and 'Schroder Money Services (Jersey) Ltd'.

Table of money market bank accounts, including entries like 'Money Market Bank Accounts' and 'Money Market Bank Accounts'.

Table of traditional options, including entries like 'Traditional Options' and '3-month call rates'.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes sub-sections like 'Shorts (Lives up to Five Years)', 'Five to Fifteen Years', 'Over Fifteen Years', 'Undated', 'Index-Linked', 'CORPORATION BONDS', 'COMMONWEALTH & AFRICAN BONDS', 'LOANS', 'Public Board and Ind.', 'Financial', 'FOREIGN BONDS & RAILS', and 'AMERICANS'.

BUILDING, TIMBER, ROADS-Cont. DRAPERY & STORES-Cont.

Table of Building, Timber, Roads, and Drapery & Stores companies with columns for Name, Price, Dividend, and Yield.

ELECTRICALS

Table of Electrical companies with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics companies with columns for Name, Price, Dividend, and Yield.

BANKS, HP & LEASING

Table of Banks, HP & Leasing companies with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores companies with columns for Name, Price, Dividend, and Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits companies with columns for Name, Price, Dividend, and Yield.

BUILDING, TIMBER, ROADS

Table of Building, Timber, Roads companies with columns for Name, Price, Dividend, and Yield.

ENGINEERING-Continued INDUSTRIALS

Table of Engineering and Industrial companies with columns for Name, Price, Dividend, and Yield.

ENGINEERING

Table of Engineering companies with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. companies with columns for Name, Price, Dividend, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers companies with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Miscellaneous)

Table of Industrial (Miscellaneous) companies with columns for Name, Price, Dividend, and Yield.

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INDUSTRIALS - Continued

Table of industrial stocks including companies like Shell, BP, and various engineering firms, with columns for price, change, and volume.

LEISURE - Continued

Table of leisure and entertainment stocks including companies like British Telecom, British Airways, and various media companies.

PROPERTY - Continued

Table of property and real estate related stocks and funds.

INVESTMENT TRUSTS - Cont.

Table of investment trusts and funds, including various equity and bond funds.

FINANCE, LAND - Cont.

Table of financial and land-related stocks and funds.

MINES - Continued

Table of mining stocks and companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks.

SHIPPING

Table of shipping stocks.

TEXTILES

Table of textile stocks.

OVERSEAS TRADERS

Table of overseas trading stocks.

PLANTATIONS

Table of plantation stocks.

INSURANCE

Table of insurance stocks.

PROPERTY

Table of property stocks.

TOBACCO

Table of tobacco stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

MINES

Table of mining stocks.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks.

LEISURE

Table of leisure stocks.

PROPERTY

Table of property stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

MINES

Table of mining stocks.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks.

NOTES

Notes and footnotes providing additional information and disclaimers.

SHEERFRAME
Britain's largest producer of uPVC window and door systems
L. B. Plastics Limited

THE PEPE
SPAIN'S SHERRY
GONZALEZ BYASS

Year wait for investor protection

BY NICK BUNKER

BRITAIN'S NEW investor protection regime will not be entirely in place until at least the late autumn of 1987, a full 12 months after the emerging changes in the financial markets.

a private-sector body, the Securities and Investments Board. It said yesterday it hoped to apply, by the end of this year, for recognition as the agency designated to receive powers to act as the UK's central watchdog for investor protection.

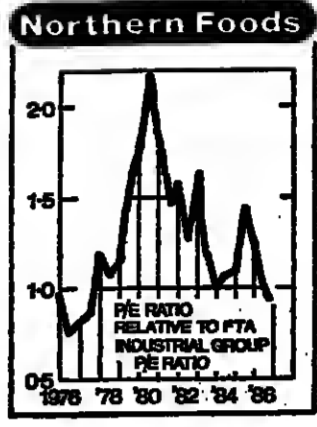
Stock Exchange trading tradition crumbles

By Terry Byland

THE TRADITIONAL role of the London Stock Exchange trading floor has crumbled more rapidly than expected in the first week of business in the transformed UK securities market, in spite of the problems with the markets computer systems.

THE LEX COLUMN
Of Bangs and Gas leaks

Index rose 6.3 to 1285.4



Though traditionalists might have expected computer failures to bring on an Indian Summer of face-to-face trading on the floor of the Stock Exchange, it looks as if eyeball contact has had its day.

Northern must now start to over again. The US carpet cleaning business is for sale, by this will merely degar the UK operation, when the remaining companies are too modest and diverse to form the basis of a coherent American strategy.

Kleinwort to sell large part of its M & G stake

By Eric Short

KLEINWORT Benson Lonsdale, Britain's biggest merchant banking group, is to dispose of a large part of its stake in the M & G Group, a leading unit trust and financial services group in an offer-for-sale expected to raise about £20m.

Avis Europe's flotation fails

BY TERRY POVEY

AVIS EUROPE'S £278m flotation, one of the largest this year apart from privatisations and the sale of the TSB Group, has failed with about one third of the 72m shares on offer left with the underwriters.

parent, Wesray Capital Corporation of the US, in the first offer-for-sale since Monday's Big Bang. Wesray retained a 54.5 per cent stake in the 72m share company, which previously represented the Europe, Middle East and Africa region of Avis Inc, the international car hire company.

British Gas

The device of privatisation by easy instalments has many advantages. The cash flow to the Exchequer (and from the equity market) is smoothed out over a couple of years — effectively cutting the issue down to size.

Northern Foods

Northern Foods never convinced the City that it could manage its US companies, but it is redemptively good at trading them. Yesterday's disposal of the bulk of the Keystone businesses to the minority partner will raise about \$72m, or \$56m in cash plus a loan note and the outstanding minorities in three other companies.

Oil gains on new Saudi policy

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

OIL PRICES continued to climb yesterday in the wake of Saudi Arabia's newly stated policy of achieving a minimum level of \$18 a barrel. Brent crude rose steadily and was eventually quoted at \$14.90 a barrel, up \$1 from Thursday's close.

Dr Otaiba also said that oil companies in Abu Dhabi had been told to cut their November output to a level that would allow the UAE to come within its Opec quota of 950,000 barrels a day. The UAE, of which Abu Dhabi is by far the largest producer, has for some months been lifting at least 200,000 barrels a day above its Opec-agreed level.

Goodison

provides the single best quote for each alpha (most frequently traded) and beta (less frequently traded) security in the Seaff system.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various stocks and their price changes. Includes entries like NatWest Bank, Platina Intl, Polly Peck Intl, etc.

WORLDWIDE WEATHER

Table showing weather forecasts for various cities worldwide, including London, New York, Tokyo, and others. Columns include location, time, and weather conditions.

US and Japanese agreement

Continued from Page 1

package, to assure that its expected impact on growth was realised, he added. Japan intended to implement a tax reform plan as soon as possible after Parliamentary approval. This would include reductions in the marginal tax rates for both personal and corporate income, the minister said.

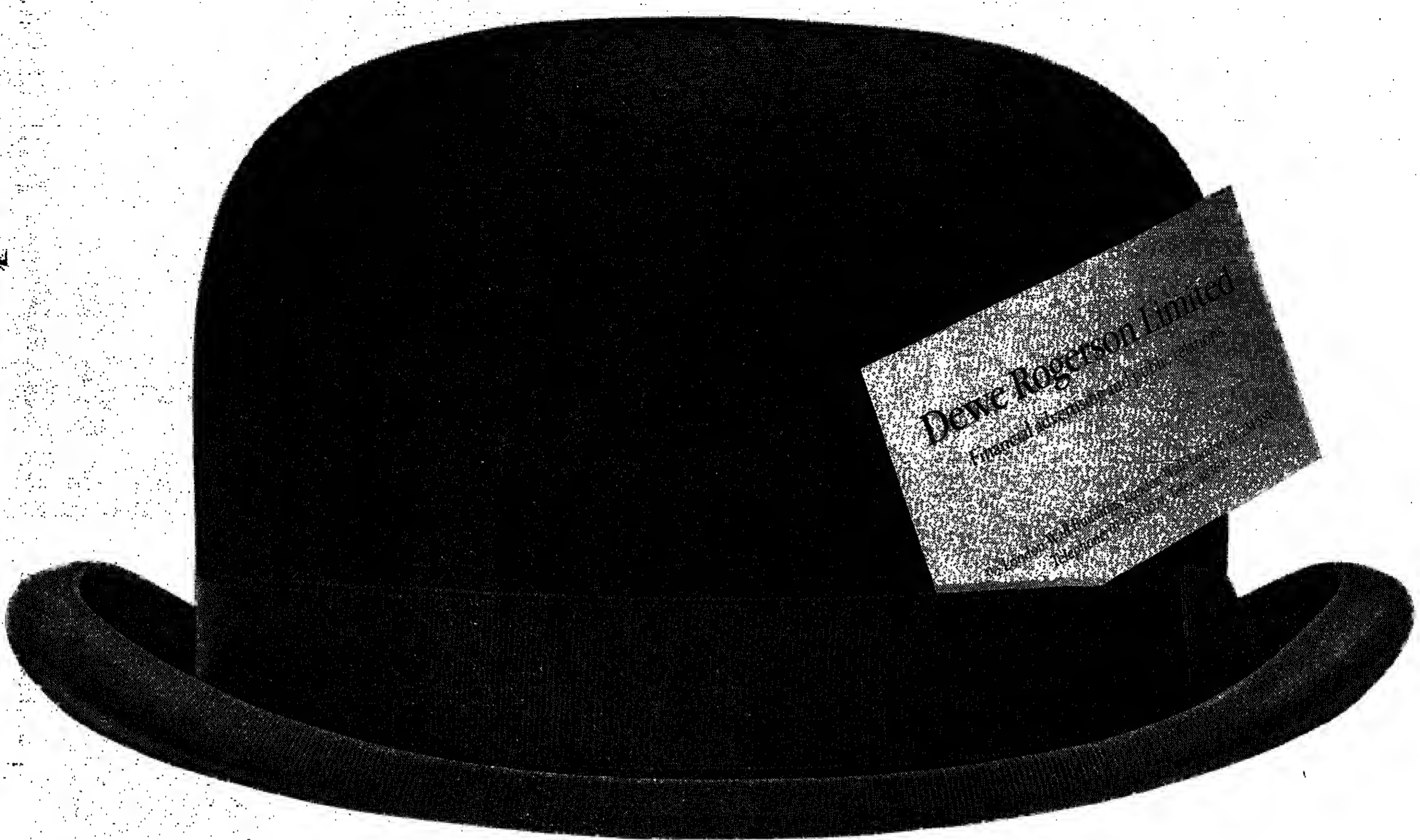
Continued from Page 1

Mr Egil Heile, an oil ministry official, said that if Sheikh Yamani's removal led to a policy change or a new price fall Norway "might no longer consider itself bound to this agreement." But as Saudi Arabia appears to be moving in entirely the opposite direction, there appears little reason for Norwegian concern.

Oppenheimer
24 months of performance to 1st October.
Trust Percentage Increase in value Position and total number in sector
European +171.4 1st 22
Pacific +101.2 2nd 34
UK +94.8 7th 104
Worldwide
Recovery +78.3 6th 86
International +76.7 7th 86
Japan +73.2 25th 37
Income & Growth +67.5 6th 82
High Income +51.6 6th 15
Practical +41.0 3rd 5
American +13.3 42nd 79
Six of our unit trusts are in the top quarter of their respective sectors and all ten continue to make money for their investors over the last 12 months to 1st October, too.
For further details telephone us on 01-489 1078, or write to Oppenheimer Fund Management Limited, 66 Cannon Street, London EC4N 6AE.

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July 11, 1985



Try it on for size.

Over 5 million people wanted to buy TSB bowlers. It's been Britain's most successful share flotation to date.

We thought we'd say how tickled we at Dewe Rogerson are to have created the bowler campaign in TV, press, outdoor and point of sale. And to have played such a large part in the TSB Group's research, planning and public relations.

Then our Research Director sent round a memo which cheered us even more.

Three years ago, he wrote, only 5% of the population owned shares. Now 17% do.

Three flotations in particular have speeded this growth: British Telecom, Britoil and TSB.

We planned and carried out communications programmes for all three.

So we've done a little

to help make Britain a Nation of Shareholders.

And we've turned ourselves into the likeliest lads in the whole field of financial and corporate communications.

Not just for flotations and takeovers, but ongoing campaigns for banks and building societies, insurance, unit trusts and other investments, investor relations

It's a wide, wide field. And we have a lot of experience in all of it. We have 150 clients around the world. Some large, some small, but all greatly valued.

If a few bright ideas tempered by rigorous thinking can be of help to you, telephone 01-638 9571 and ask for Roddy Dewe or Tony Carlisle.

At this stage, we'll keep it under our hat.

ff

80?

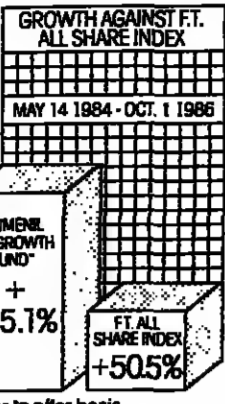
ific

"C'est formidable!"

In today's highly competitive investment market, only one thing counts.

Performance. And ours has been, in all modesty, quite remarkable. Initially as London Law Capital Growth Fund, and since September of this year as Duménil UK Growth Fund, we have consistently outperformed the market Index.

At a time when the choice of unit trusts has become wider and wider, we've risen steadily up the league table. It's a standard of performance that we'll continue to deliver. Because whilst we may have



changed our name to reflect our new ownership by Duménil Leblé, that's all that's changed.

The investment policy that has built our success continues, and the managers who devised and implemented that policy remain the same.

Under the ownership of Duménil Leblé - nominated as the rising star of the French financial market by Nat West County Securities Review - we look forward to continuing our successful and profitable growth.

The French clearly recognise a good thing when they see it; shouldn't you?

Remember that the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

Rank	2 YEARS	1 YEAR	6 MONTHS
7th	from 103	from 102	from 131

Source: Money Management (offer to bid)

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Address _____

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Usual Financial Adviser _____

This is not an offer for subscription. 11/11

54 St. James's Street London SW1A 4JT
Telephone: 01-499 6323.

THE SUNDAY TELEGRAPH

After TSB: go for investment trusts

WHAT DO you do for an encore if you are among the stock market shares offer the prospect of better returns, over a longer period than the TSB, by investing in one of the three highly successful investment trusts managed by John Govett & Co. please return the coupon below.

SUNDAY TELEGRAPH
12th OCTOBER 1986

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Please send me further information about:
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 Govett Oriental Investment Trust PLC
 Govett Strategic Investment Trust PLC (PLEASE TICK)

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My usual investment adviser is _____

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For further information and the current prospectuses, please complete and return this coupon to: Robin Fuller, N M Rothschild Asset Management (C.I.) Limited, P.O. Box 242, St. Julian's Court, St. Peter Port, Guernsey, Channel Islands. Telephone: Guernsey (0481) 26741.

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Address _____

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- Encouraging track record in the 84/85 and 85/86 Industrial Technology Funds.
- Sponsored by Savory Milin, Stockbrokers.

Subscriptions are limited to £2m and will close on Nov 15th 1986. For a Memorandum for the basis of which, alone, subscriptions can be accepted, return the coupon without delay.

To: Industrial Technology Securities Ltd, c/o Charles Gillingham, Savory Milin Ltd, Regent Court, 20 St. Thomas Street, London SE1 9NR. Tel: 01-499 1212. Please send me the Memorandum.

Name _____

Address _____

1986/87 INDUSTRIAL TECHNOLOGY FUND

Payroll scheme alarms charities

Nigel Lawson

BOB GELDOF'S glamour may be lacking. But if one employee in ten takes advantage of the new tax-efficient payroll giving scheme, the coffers of Britain's charities will swell by £100m next year - twice the sum Band Aid raised.

Small wonder, then, that draft regulations for the new scheme - published by Inland Revenue last Tuesday - have been eagerly awaited. Yet the small print has done little to dispel charities' fears over the costs of administering the new scheme - nor solve the problem of existing payroll givers.

In principle, charities universally welcome the new tax breaks, first announced in the Budget and due to become effective in April next year. After that date, any employee can have up to £100 a year deducted from his gross wages and paid direct to any charity or charities selected. Because the payment is made from untaxed pay, a £100 donation effectively costs a standard-rate taxpayer £71.

To administer the scheme, Inland Revenue will approve a new class of "agency charities." Employers - on behalf of their workers - will contract to send contributions to the agency, which acts as a "clearing house," distributing donations as specified.

Fine - except that there are currently 154,000 charities to pick from. While the draft regulations allow agencies to restrict the number of charities to a single employee can ask to split his donation between, they cannot limit these beneficiaries to specific, named organisations. Moreover, the onus of checking that any requested beneficiary is legitimate will rest with the agency.

Other details which emerged last week do nothing to ease the burden. They state, for example, that an approved agency must give employees a "certificate" of the sums paid over to his specified charities if he requests it.

The new rules also give employers whose workforce is raising less than £100 a month a 90-day respite before the money need be sent on to the agency. That has already attracted sharp criticism. Says Save the Children Fund: "In many companies, the number of employees is below 100 and they will almost certainly fall into this category. It will mean that employers can sit on the money given to charity for three months."

The charities have other quibbles - more about what the

rules fail to specify rather than what they do spell out. Although time limits are set for employers passing contributions to the agencies, why is there no mention of time limits between agencies and charities? Why, although each agency is accountable to Inland Revenue, is there no requirement that they must open their books to benefiting charities? And why is there currently no restriction placed on an agency's management charges?

Best placed at present to take on the agency role is the Charities Aid Foundation - itself a charity and currently collecting and distributing around £30m. Even a doubling of its throughput would be administratively possible, says payroll project director David Wickert. It has already arranged extra computer facilities with Ravensbourne, better known as the company registrar.

"Generally speaking, we are happy with the rules," says David Wickert. He plans two types of service - one where each employee at a specific company selects up to eight charities which he would like to benefit, and one where the employees decided together who they want their money to go to. The latter, administratively simpler, might suit smaller companies where the total sum donated is relatively modest.

But the CAF scheme inevitably carries a price. Mr Wickert estimates that around 5 to 8 per cent of the money donated may get eaten up in administrative charges, though interest earned might offset part of that. For comparison on general donations many charities aim to keep administration expenses down to 2 per cent.

One possible solution would be consortia agencies each representing a number of large charities. Already a number of groups are talking - a selection of children's charities, international relief agencies and a mixed group. But as yet nothing firm has emerged.

But perhaps the biggest headache comes for charities, like Barnados and Save the Children Fund, which already derive substantial income from payroll giving. Barnados, which has run payroll schemes without any tax breaks since 1965, collects around £2m a year this way - out of total revenues of £20m, and non-legacy income of £10m.

Much of the money comes in small amounts - 10p-15p a week - yet the CAF scheme is likely to specify minimum donations of 25p a week again for administrative reasons. Save the Children is in a similar position - raising around £300,000 via the same route.

Both charities hope they can retain these arrangements. But at present, it is by no means clear whether the very small givers will be offered an agency scheme which provide the tax breaks.

A CAF-style group plan might make this possible. These are early days but why should someone who can afford £100 a year for charity be subsidised yet someone who can only manage £15 be excluded?

Nikki Tait

Banks launch PEPs

reduced by £10.

After the end of the first year of PEP on December 31, 1987, you will have to retain your investments for at least another 12 months to receive the tax benefits. If you withdraw during 1987 you forfeit the tax concessions.

So under the Barclays scheme at the end of the current plan all the investments, interest payments and dividends are transferred to a holding plan for 1987 and to a mature plan in 1988. The bank's annual management fees for these years will be reduced to £15 for investments below £1,200 and £25 for higher amounts, plus the £4 administration charge per investment.

Gavin Oldham, chief executive of Barclays, said that the charges had been "pitched at levels which will not swallow up the tax benefits." But this needs some qualification. The concessions available are that you pay neither capital gains tax nor income tax on dividends or interest, on PEP investments providing you retain them in the scheme for the required minimum period (up to the end of 1988).

Most small or even medium-sized investors will not benefit much from the capital gains tax concession since you can already make a profit of up to £8,300 a year before becoming liable. On the income side, assuming an average yield on equities of 5 per cent (£10 on an investment of £2,000) the saving for a standard rate taxpayer would be less than £40 compared with

Prudential keeps its nose in front

The Great Investment Race

Alice Rawsthorn reports on the latest in the battle for managerial supremacy

Hoare Govett, the London stockbroker, is still trailing behind, having failed to recover fully from its blunder over the Bunzl rights issue. Hoare Govett is now playing safe by keeping the bulk of its portfolio in cash, £24,181, of its portfolio in cash. The rest, just over £3,000, is divided between Premier Consolidated Oil, gilts, and Boots traded options where it, like Bell Lawrie, has high hopes of a takeover bid.

The second London broker in the race, L. Messel, has established the most eclectic portfolio, with £19,328 divided between an Italian new issue, Assitalia, National Westminster Bank warrants, and C. E. Heath for the insurance broker which faces a takeover bid from PWS, the Lloyds broker. The rest of the portfolio is held in cash.

"As a house we tend to concentrate on overseas investment," says Anthony Bolton, Fidelity's investment director. "Our view is that the London market is unlikely to move a great deal by the next year. The Japanese market, by contrast, has recently come back. For the race, we will be looking for one-off trading opportunities. Just now most of those are in Japan."

Savings Bank shares, at the top opening price of 97p. Otherwise, it has clung to its established portfolio of Pacific Assets Trust, a Far Eastern Investment trust, gilts, and shares in Boots, where it is still waiting for a bid to materialise. Bell Lawrie holds £4,712 in cash which brings the value of its portfolio just above the original £35,000 at £35,331.

"Now that the smoke is clearing after the Big Bang," says McIntosh, "we expect to invest more actively again - providing the computers work, of course."

Fidelity has swept past Nomura into second place, having fared well with opportunistic trading in Japanese equities. Its portfolio is now valued at £41,608 and is divided between the blue chip Sumitomo Electric and the new issue Kamei. The rest of the portfolio, around £4,960, is held in cash.

"We took a conscious decision to adopt a low profile in the approach to the Big Bang because we felt the marketplace would be rather artificial," says Derek McIntosh, Bell Lawrie's managing director. Bell Lawrie sold its Trustee

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Continuing the series on British Gas, Richard Tomkins looks at the Pathfinder prospectus

Learning the TSB lesson

THE PATHFINDER prospectus published by British Gas yesterday leaves a number of questions unanswered. Chief among them is that it gives nothing away about the price which is going to be put on the issue. So it is still not possible to judge whether it is going to be in the bargain basement category or not.

For many investors, another important question will remain, however cheap the price, whether there is any point in applying for shares at all given the 50 per cent rejection rate in the TSB flotation last month.

A good deal of indignation was created by the TSB issue. The 2m unsuccessful applicants were understandably annoyed at having been so strongly urged to apply for shares through an intensive advertising campaign in the run-up to the flotation, only to be turned away empty-handed.

The TSB maintained that it never wanted to turn shareholders away. The problem was that although it used all six of Britain's major receiving banks to deal with the flood of applications, it was beyond their capacity to deal with the logistics of sending out allocations of shares to more than about 3m people within a reasonable amount of time. With 5m applying for shares and over 1m of them having been promised an allocation in advance, the TSB therefore had no choice but to reject nearly 2m of the rest.

For would-be investors in British Gas, this poses an obvious question. If 3m shareholders as many as the combined forces of Britain's receiving banks can handle, surely the far greater demand likely to emerge for British Gas will leave even more people disappointed?

Not so, according to N. M. Rothschild, the merchant bank

which is one of the advisers to the issue: it says that National Westminster Bank, the lead receiving bank to the issue, has set up a system of unprecedented sophistication to deal with applications. With the benefit of hindsight it can be seen that the TSB was not adequately prepared for the response to its offer. Its long-stated aim had been to attract 1m shareholders, so given that a large number were always

to nearly all of them. Not foreseeing that the issue would be such a runaway success, it therefore stuck to the traditional system of dealing with applications.

This system is frankly archaic and ill-suited to handling flotations of the size which gave become almost commonplace since the Government's privatisation programme began.

It involves a vast paper-shuffling exercise in which application forms received are sorted according to the number of shares applied for, tied into bundles of 50, counted, and piled up in storerooms.

Once the allocation is announced, the most laborious task of all begins when letters have to be sent out to all the successful applicants telling them how many shares they have been allotted and cheques have to be made out for any refund due. This has to be done as swiftly as possible, because every day that passes is a day in which the company concerned is sitting on other people's money.

Ballotting under the existing system is simple enough, but crude. The TSB itself, for example, caused a good deal of acrimony through the method it employed. Since it was haltingly out exactly 50 per cent of the public applicants, it simply threw out half the hundreds of applications and gaveshares to all the applicants left, thus tending to eliminate whole families who had submitted their applications together.

In the British Gas flotation, things will be different. The sponsors are moving away from quill pen technology and into the age of the computer.

Everyone who expresses an interest in the issue, either by telephoning the share information office, by filling in a coupon cut from a newspaper,

or replying to the letters sent out to all customers, is having their name and address logged on to a computer together with a personal reference number.

When the full prospectus comes out in about three weeks' time, the computer will print out personalised application forms which will be despatched to all these people together with the prospectus. If the form is returned, it will still be sorted according to the number of shares applied for, but then the computer will take over: keyboard operators will simply enter a given number of shares and the list underneath it the reference numbers of every applicant applying for that number.

When it comes to the allocation, the computer will then be able to handle a large proportion of the work by printing out letters and refund cheques to successful applicants.

This system will not totally eradicate the quill pen. Inevitably, a large number of applicants will not bother to register in application forms snipped out of newspapers at the last minute. There will not be time to computerise all these on receipt so they will be handled in the traditional way. But Rothschild says they will be dealt with on exactly the same basis as those on the computer.

The most important point arising out of all this is that the speeding up of the process means that many more people can be allocated shares than was the case with TSB. Indeed, with over 5m people already registered to request the issue, Rothschild can still say with confidence that it expects to ward every applicant a stake in British Gas and it has no intention of conducting any ballot.

British Gas

likely to sell in the marketplace for short-term gains, it would probably have felt comfortable with about 2m applicants.

On that basis, it had no reason to suppose that it would have any more difficulty in dealing with the response than did British Telecom, which attracted 2.4m applicants to its much higher flotation in November 1984 and gave shares to nearly all of them. Not foreseeing that the issue would be such a runaway success, it therefore stuck to the traditional system of dealing with applications.

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A policy with teeth



AS IF worrying about life and your wealth (or lack of it) was not enough, the Prudential is now trying to throw a scare into pet-owners. Publishing the relaunch of its pet insurance policy (Prupet), the group points out that the number of postmen attacked by dogs is growing—and so are the damage awards made against owners.

"The ultimate fear of every owner," according to the Equine and Livestock Insurance Company, which underwrites the Prupet, "has to be that a pet might stray on to the road and collide with a Mercedes, which drives into the back of a Porsche, which then hits a Volkswagen Golf GTL..."

Although claims for damages are difficult to win, since they involve proving negligence against the owner, the legal fees of contesting such a claim could be an additional nightmare. The revamped Prupet policy will cover you against such eventualities and also includes a new benefit of payment of boarding fees if the pet owner has to go into hospital.

John Edwards

Picture of wealth

If, before now, you had sought to invest in a 25-year with-profits savings contract, the intermediary or the life company would have presented you with an illustration of benefits at the end of the period that would put you into the millionaire class for a comparatively small outlay.

The table shows an illustration that has been provided by a leading life company—Norwich Union Life—for a 44-year-old man investing £50 a month in a with-profit endowment contract over 10 years.

Such illustrations are based on a life company's current bonus rates continuing into the future—a reasonable assumption apparently. Yet, the method has come under increasing criticism as being totally misleading to investors, since it reflects the very good investment returns achieved under the favourable conditions of the past 10 or more years.

The problem was highlighted by the problems of United Kingdom Provident Institution—was providing very competitive illustrations on bonus rates it would have not been able to maintain.

The obvious solution would have been to ban these kind of illustrations altogether. After all, building societies and unit trusts market their plans successfully without providing illustrations of projected benefits in x years times on current interest rates or investment returns.

However, illustrations have become an integral part of life company marketing—a feature accepted by the Securities and Investments Board (SIB) in drawing up its conduct of business rules for investors.

However, it is likely to be at least a year before the SIB's proposals come into effect. The UK Provident situation, if nothing else, made it imperative for life companies to modify their current practice now. So, the association of now, the association of British Insurers, the main trade

	Old system	New system
Sum insured	£ 5,457	£ 5,457
Annual bonuses	3,432	Assuming an investment return of 10.75 net of tax and allowing for expenses the return would be
Additional bonuses	3,220	9,488
Total proceeds	12,109	

Source: Norwich Union Life
Life companies can use a bigger expense assumption if they wish. But, for competitive reasons, they are certain to use the minimum. The ABI will investigate any cases where expenses lower than the minimum are used. However, it is relying on other life companies to do the monitoring for it.

Today's change means that investors will no longer receive an illustration relating to a certain life company. Although it will be on the company's headed literature, it will, in effect, be an ABI quotation.

Investors and intermediaries will no longer be able to use illustrations to differentiate between life companies. They will need to look at other factors, such as past performance.

Unit-linked life companies have operated for years on such standardised illustrations. Under the new system, they will be subject to the investment return limit, which is at the top end of the yields currently used, and their own expenses.

At present, there is nothing to stop an intermediary, who is not a registered insurance broker, from producing his own illustration on the old basis.

It is not a difficult exercise with a pocket calculator. However, under the SIB rules this practice would be banned, so intermediaries should refrain from doing it now. In theory, this new practice should bring about lower premiums for low-cost endowments used in this method of paying off a mortgage. In practice, it is not making any difference. Eric Short

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Sue, Grabbit and Runne revisited

IF YOU have a complaint about your solicitor, how do you go about seeking justice? On September 1, a new body—the Solicitors Complaints Bureau—came into operation. Its job is to receive complaints from the public, or from a solicitor about another solicitor, investigate those complaints, and make judgments on them.

The job used to be done by the Law Society, the solicitors' professional governing body. But the growth in complaints—running at about 1,200 a month this year—led to long delays in handling them. There were also a few nasty cases which caused intense dissatisfaction that the complaints procedure should be in the hands of the Law Society at all. Calls for an independent body were not successful, however, and the bureau compromise came into being.

The complaints team is basically the same as it was at the Law Society. The difference is its physical separation to a new location, and the setting up of a new investigations committee made up of seven lay members (including the chair) and four solicitors. Its job from January 1987 will be to monitor the work of the bureau, thereby providing, it is hoped, a check that the interests of the public are being properly looked after.

Peter Thompson, bureau director, who was in the Law Society's department which handled complaints, admits: "The weakness of the old system was that the whole investigation process was not monitored." Only about 10 per cent of the complaints go as far as the adjudication committee (now also part of the bureau and with a minority of lay members) which decides whether disciplinary sanctions are called for, so that there was always a suspicion that the other 90 per cent might have included complaints not dealt with fairly.

What sort of complaints do the public bring against their solicitors, and what happens when the complaints are upheld? The most common complaint is classified by Thompson as "delay, or failure to keep informed." The bureau's staff may be able to improve communication between solicitor and client. But if the complaint is of incompetence, or more seriously of negligence, other factors come into play.

From the beginning of next year, the "shoddy work" statute comes into effect. In other words, if you think that the standard of your solicitor's work, for whatever reason, is pretty awful, you have a legitimate cause for complaint. If that is upheld by the bureau, the solicitor can be ordered either to do the work again, or lose all his fee for the job, or both. If, on the other hand, the solicitor is deemed to be negligent, the bureau has powers but will put you in touch with a panel of solicitors who will advise whether you have a legal cause for com-

plaint—but the Law Society advises use of its recently set up arbitration scheme in such cases rather than going to court to seek damages.

Just how the "shoddy work" provision will work is not known, although Thompson expects his investigating team—recruited specifically to handle this category of complaints—will be kept busy enough.

The complaints system sometimes seems as complex as the law itself. When clients complain they have been overcharged by a solicitor, for instance, the bureau cannot act until the complaint has been proved. This happens in two ways: in non-contentious matters, the Law Society decides on fairness of costs—bills can be reduced; in contentious matters, it must be an officer of the court. If this judgment goes in the clients' favour, the bureau can pursue the solicitor for misconduct.

Clients also complain about solicitors holding on to their money, and not paying interest. The point at which "failure to account" can be levelled against a solicitor is a bit unclear, but it appears to be more than £500 held for two months end more. If upheld, the solicitor can be ordered to pay.

"My experience is that when money is involved, clients want the problem solved with money. But overall I think clients want remedies from us rather than that the disciplinary process be called into play. In the end, unless you are dead keen on revenge, it is a bit sterile."

Sometimes, however, charges against solicitors can be very serious. "Out of 46,000 practising solicitors, there is always going to be an element which is entirely unsuitable," says Thompson. They are the ones "who have their hands in the till." If this is suspected, the bureau has the right to send in accountants to go through the solicitors' books at three days' notice. "But besides the villains, there are also the innocents who just have not sat down and thought things through, or spotted a conflict of interest."

The bureau is intent on making itself look different from the Law Society. Open-plan offices and new technology are a start, pot plants and pictures will follow, in contrast to the old-fashioned solidity of the Chancery Lane headquarters. But will the public (who, it should be said, are not actually encouraged to visit the Victoria offices) be reassured that the bureau, with its new investigations committee, is really a different creature? Isn't it still the case that solicitors are investigating complaints against solicitors?

Thompson, himself a solicitor, can only reply that the public must wait and see how it works—be admits that he would be very sad if solicitors lost any element of self-regulation, as would be implied by an independent board.

Meanwhile, he promises speedier attention to the public's complaints than under the old system where it could take three to four weeks just to get a reply and an average of five months to get the problem sorted out. "My aim is to send out a substantial reply—not just an



Peter Thompson
acknowledgement—within five working days.
*The Solicitors Complaints Bureau, Portland House, Stag Place, London SW1E 5BL.

Funds of funds 'not proven'

HAVE THE funds of funds—unit trusts that invest in other unit trusts—been successful since they were launched a year ago in a blaze of unfavourable publicity? Critics predicted double charging, conflicts of interest within the management group and indifferent performance.

On their first anniversary, the results do far make it hard to extol or damn the species. One can only agree with Robin Shearmur of Barrington (Kleinwort Grieseson), who were just first in the field with their Planned Investment Fund, when he says the funds of funds have achieved what they were intended to do.

The somewhat modest objectives were to outperform the returns achieved by building societies, provide a steady rather than dramatic performance and remove the burden of deciding when to "switch" funds from the shoulders of the smaller investor. It was hoped this combination would help wider the general appeal of unit trusts to investors apprehensive about going into the stock market.

As the table shows, objective number one (beating the return on building society investment) has easily been achieved. The rise in the offer to bid price of two of the best trusts has risen by around 80 per cent since November last year. The performance of these two—Abbey and Barrington—also compares favourably with the average performance of normal international growth unit trusts over the same period.

Compared with the top performers in the international sector, the picture is very different. Top performer over both the periods shown has been Sun Life Managed Growth, with 78.6 per cent since November 1985 and 68.8 per cent since January. Around a third of the international trusts beat the top fund of funds over both periods.

Managers of the funds of funds have gone to great lengths to ensure that no double charging takes place. The commonest procedure is to make an initial charge on the fund itself to buy into the underlying trusts without the respective initial charges. However, the normal annual management fee is made on underlying holdings.

The groups, which have a long list of trusts to choose from, have taken advantage of the fact in spreading their holdings. Save and Prosper have recently had investments in underlying trusts, with geographical spread of 14 per cent in the US, 13.5 per cent in Europe, 28 per cent in Japan and Southeast Asia, and 40 per cent in the UK. Trusts that include four income funds, two of them overseas, the Japan Smaller Companies Trust and the Southeast Asia Trust, other words, highly specialised trusts are not asked of.

The Abbey Mastertrust has also gone in for a degree of specialisation, with holdings in the Asian Pacific and Commodity and Energy trusts among the nine funds held. The Mastertrust has 23 per cent in European Capital, 15 per cent in US funds, 10 per cent in Japan, and 16 per cent in UK Growth and Gift and Fixed Interest. The fund is comparable to Barrington in holding around 9 per cent cash.

With a relatively smaller list of funds, Barrington had only six trusts in its fund prior to October 27, when its link-up with Kleinwort Grieseson became effective. The fund has invested just over 46 per cent in the UK, with 9.34 per cent in Japan and 16.54 per cent in North America. The influx of funds from the Kleinwort stable will give greater scope for specialisation, with smaller companies, technology and recovery funds.

Robin Shearmur emphasises the safety aspect of the funds. "Someone who goes in can really sleep at night." In a somewhat grandiose comparison, he recommends the group's regular savings plan as a way into the fund. He says: "Effectively what you're buying for £20 a month is what the millionaires buy—our international service, with the same philosophy for all." History does not relate what sort of performance the millionaire demands from his international managed portfolio.

Funds of funds are part of the general move to draw in the building society investor with the promise of a low-risk equity investment. To be a real success they must outperform in bear markets to compensate for their modest results when times are good. If this is the meaning of "steady performance," all well and good, but the verdict so far must be "not proven."

Adept at adapting

THE 1984 Finance Act represented a watershed as far as friendly societies were concerned. Not only did its harsh proposals kill off immediately the "new wave" societies springing up like mushrooms; it looked as if they would also kill off, through starvation, the established societies.

The main proposal was to put a premium limit of £100 a year (£9 per month) on all contracts written in the tax exempt fund on the societies. Although the investment attractions of investing in a tax exempt fund are overwhelming, it is difficult to see how societies can cover their expenses on policies with such low premium levels. Very few life companies accept monthly premiums of £20; and for many, £20 or even £40 is the minimum regarded as necessary to pay their way on expenses.

Under these conditions, it looked as if friendly societies either had to expand their taxable business—becoming, effectively, life companies—and forget about the tax exempt portion; or go under.

But the friendly society movement has not survived for centuries without becoming adept at adapting. They are devising a number of ideas for survival, with the tax exempt business still playing an important role.

The Tumbidge Wells Equitable Friendly Society has adopted two approaches to maintain its tax exempt business. It has designed tax exempt products which are simple, offering just one maximum premium level. This keeps administration costs to a minimum. It then uses mass marketing techniques to sell the bond in sufficient quantities to recoup expenses.

This method was highly successful with its Baby Bond a year ago; but it fell foul of the Inland Revenue, so had to be transferred to the taxable fund. However, this experience has not deterred the society from launching this month the T Bond—a regular savings plan available for adults aged from 18 to 75.

The investment period is 10 years—as required by the legislation. At the end of this period an investor has four options:

- Cash in the investment for a completely tax free cash sum.
- Take tax free income in the form of partial encashments.
- Cease paying premiums, but



leave the investment to continue to grow.

- Continue paying premiums for a further 10 years. (Any of the other options can be exercised at any time during this latter period.)

Investment is made into funds that are free of tax. Technically, friendly societies have to hold at least half their investments in narrow-range fixed interest assets. But this applies to the overall funds of the society, and for at least the next year T Bond funds will be invested in a tax-exempt equity fund. Again technically, these have to be UK equities, but societies can achieve overseas equity exposure by investing in the appropriate UK investment trusts.

The charges are 66.67 per cent of the first year's premium for investors under 50 (the percentage rises for older investors) plus a policy charge of £2 per year or 35p per month.

Under friendly society legislation, the maximum surrender value on early cash-in (before 10 years) is a return of premiums.

Although the premium on the bond is £100 a year, or £9 a month, husband and wife can each take a bond, thus doubling the overall investment.

Marketing is being handled by Dominion Financial Management, dealing through independent intermediaries. At least 10,000 bonds a year must be sold in order to recoup costs. The second approach for friendly societies is to offer an

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leave the investment to continue to grow.

- Continue paying premiums for a further 10 years. (Any of the other options can be exercised at any time during this latter period.)

Investment is made into funds that are free of tax. Technically, friendly societies have to hold at least half their investments in narrow-range fixed interest assets. But this applies to the overall funds of the society, and for at least the next year T Bond funds will be invested in a tax-exempt equity fund. Again technically, these have to be UK equities, but societies can achieve overseas equity exposure by investing in the appropriate UK investment trusts.

The charges are 66.67 per cent of the first year's premium for investors under 50 (the percentage rises for older investors) plus a policy charge of £2 per year or 35p per month.

Under friendly society legislation, the maximum surrender value on early cash-in (before 10 years) is a return of premiums.

Although the premium on the bond is £100 a year, or £9 a month, husband and wife can each take a bond, thus doubling the overall investment.

Marketing is being handled by Dominion Financial Management, dealing through independent intermediaries. At least 10,000 bonds a year must be sold in order to recoup costs. The second approach for friendly societies is to offer an

Fund of funds performance (percentage growth offer to bid, income reinvested)

	Since 24.1.86	Since 25.11.85
Barrington Planned Investment Fund	21.6	28.7
Abbey Mastertrust	19.0	30.2
Save and Prosper Masterfund	17.3	18.2
MIM Britannia Managed Investment Fund	14.4	—
International Growth sector average	16.6	24.2
Building society ordinary share account	4.5	5.7

Source: OPAL

	MAXIMUM INCOME ACCOUNT	PREMIUM SHARE ACCOUNT
NET RETURN	10.5% (PA)	9.0% (PA)
GROSS EQUIVALENT	14.79% (for basic rate taxpayers)	12.68% (for basic rate taxpayers)

General Portfolio
General Portfolio Life Insurance PLC
Valley House, Crossbrook Street, Chessington, Hertfordshire, EN8 8JH. Tel: 0992 31971

TWO NEW UNITS FROM LAST YEAR'S BEST

Last year, Laurentian brought you the best performing unit trust in Britain. By its first anniversary, the Laurentian Growth Trust had grown by 117%, beating all 771 competitors. And it's still a top performer.

Now, from the same team, two new trusts are being launched—Laurentian International Trust and Laurentian High Income Trust. We can't promise a repeat performance but our record so far speaks for itself.

Laurentian may be a relatively new name in the UK, but in North America the Group is known as a major financial institution, controlling assets in excess of £4.5 billion.

So, if you are looking for the prospect of 'out and out' capital growth, or a combination of high income and good capital growth—you should return the coupon today or telephone 01-828 6116 (24 hour answerphone service) for full details. There's even a fixed price offer and a special launch bonus of up to 2% for founder investors... but only until 21st November 1986.

* Sources: Financial Statistics, offer 10 offer price, before reinvestment. * Minimum investment £500.

To: Laurentian Unit Trust Management Limited
26 Buckingham Gate London SW1E 6LB

Please send me further details of your two new unit trusts and the special launch offer for founder investors.

Name: _____
Address: _____
Postcode: _____

LAURENTIAN UNIT TRUST MANAGEMENT LIMITED
26 Buckingham Gate, London SW1E 6LB
Registered in England No. 1325023

NOTICE OF REDEMPTION TO HOLDERS OF ASIAN DEVELOPMENT BANK

Kuwait Dinars 15,000,000
10 per cent. Bonds of 1981/1991

Third Mandatory Redemption Due 15th December, 1986, Of Kuwait Dinars 1,750,000

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-mentioned issue, Kuwait Investment Company (S.A.K.), as Fiscal Agent, has drawn by lot, for redemption on 15th December, 1986, at 100% of the principal amount thereof through operation of the Sinking Fund, Kuwait Dinars 1,750,000 principal amount of said 10% Bonds due 15th December, 1991, bearing the following distinctive numbers:

00063-00070	00553-00560	01141-01148
00118-00125	00600-00607	01203-01210
00181-00188	00725-00732	01242-01249
00222-00229	00833-00840	01281-01288
00316-00323	00890-00897	01343-01350
00413-00420	00934-00941	01398-01405
00518-00525	00969-00976	01478-01485

The Bonds specified above will become due and payable in Kuwaiti Dinars at the offices of Kuwait Investment Company (S.A.K.), Mubarak Al-Kabir Street, Kuwait City, State of Kuwait, by cheque drawn on a Kuwaiti Dinar account, with, or by a transfer to a Kuwaiti Dinar account maintained by the payee with, a bank in Kuwait. From, and after, 15th December, 1986, interest on the above mentioned Bonds will cease to accrue.

Bonds should be surrendered for payment together with all unmatured coupons appertaining thereto, failing which the face value of the missing unmatured coupons will be deducted from the principal amount.

The aggregate principal amount of Bonds remaining outstanding after 15th December, 1986, will be Kuwaiti Dinars 10,750,000.

KUWAIT INVESTMENT COMPANY (S.A.K.) on behalf of **ASIAN DEVELOPMENT BANK**

Dated: 1st November, 1986

BUSINESS EXPANSION SCHEME WITH FULL ASSET BACKING

This is not an invitation to subscribe. Subscriptions may only be made on the terms of the Prospectus.

SECURED PROPERTY DEVELOPMENTS p.l.c.

OFFER FOR SUBSCRIPTION
Sponsored and Underwritten by CHOUARTONS LIMITED (Member of FIMBRA) under the BUSINESS EXPANSION SCHEME

A building contractor specialising in the provision of deferred payment terms, secured on land and buildings, to its property developer clients.

- ★ Experienced management team.
- ★ Fully backed by cash and secured assets.
- ★ Minimum subscription of £475,000 underwritten.
- ★ No sponsors' or other options.
- ★ Loan facilities available for investors.
- ★ Immediate market in the shares.
- ★ Provisional BES clearance obtained.

For a copy of the Prospectus please call Chouartons Limited on 01-628 4200 ext. 364 or complete the coupon.

To: Chouartons Limited, Freeport, London EC2B 2NS
Please send me the Prospectus

Name: _____
Address: _____
Telephone: _____

Wheels within wheels

My wife and I jointly own a vintage car worth (say) £100,000.

We wish to transfer part ownership of this car, by instalments from time to time, to our daughter with a view to mitigating or eliminating liability to Inheritance Tax if one of both of us survives three-seven years.

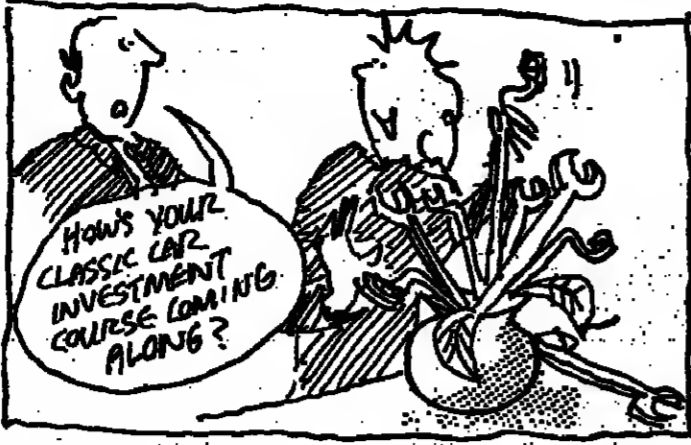
Presumably, if I/we retain use of the car which would be the intention—then the transactions would be regarded as "gifts with reservation" and the desired objective not be achieved. We are considering, therefore, selling to our daughter from time to time shares in the car based on the market value at the time of the transaction—eg today a 10 per cent interest for £10,000.

In order to enable our daughter to make such a purchase, it would be our intention to make her a gift of gifts in cash sufficient to pay for the share. As a then co-owner with my wife and I, presumably whether or not I/we continue to use the car with our daughter's consent is irrelevant as her interest would have been acquired by an arm's length purchase and not by way of gift.

I realise that the gifts of cash would fall within the three-seven years rule, but any appreciation in value realised on the eventual sale of the car to a third party would accrue proportionately to the then joint owners free of Inheritance Tax and Capital Gains Tax.

I should like to have your confirmation that I have correctly interpreted the position and to know whether you consider that such a transaction based on an exchange of cheques—from my wife and I to our daughter as gifts and from our daughter to my wife and/or I as purchase consideration—would invalidate the transaction for the purpose of Inheritance Tax. We think that your proposal should be effective and should not be challenged by the Revenue.

Deposit retained
I do hope you can shed some light on the following situation. Nobody else seems to be able to—sollicitor, broker nor estate agent.
I was asked to pay £400 deposit towards the purchase of



a house. I paid this to the estate agent who would hold it on my behalf but it would be returned to me should the surveyor's report be an "adverse" one.

A week or so later I received a letter from those to whom I had applied for a mortgage (turning down my application "due to recommendations from our surveyor that the property has potential structural problems.")

This was enough for me. I felt no need to go to additional expense of instructing a surveyor of my own to confirm this and promptly withdrew my offer and asked for the return of the deposit—the adverse surveyor's report condition being satisfied. At least that is what I thought!

The vendor's argument is that the report is not valid because it was not based on a full structural survey (the surveyor reported that he did not feel a full survey was necessary) and in any case the letter I received from the mortgage people should not be accepted as a substitute for the actual report.

My reply is that the letter is sufficient and reasonable evidence that the surveyor's report was adverse and that it is up to the surveyor as to whether he wishes to write his report after a partial survey rather than a full one.

The estate agents have taken advice, my solicitor is considering the matter but is worried at the lack of proper definition of "adverse report" and my brokers do not know. In short I think this matter is headed for the courts. What do you think? Is the matter really as complicated as it apparently seems to be?

We think that you are entitled to the return of your deposit. A pre-contract deposit is prima facie returnable. In the pre-

sent instance it may have been agreed that it would not be returnable if the sale went off otherwise than as a result of an adverse surveyor's report; but that is precisely what caused you to withdraw. The question is not why should you have your money back, but why should the proposing vendor keep it.

Using an overdraft

Is it in order for a non-resident (UK) to use an overdraft facility at a UK bank to invest in the (UK) stock market.

Could it affect his non-resident status? If the UK bank will provide the facility there is no reason in law why you should not use it. It will not of itself affect your non-resident status.

Copies and copyright

At a recent sale of paintings by a well known deceased artist it was expressly stated in the conditions of sale that the copyright in the paintings was reserved by the estate, and that copies or reproductions in any form could not be allowed.

If the paintings by the artist had been bought direct from him during his lifetime, with no conditions at all mentioned, do the same restrictions apply? In other words, can the owner of such paintings make photographic copies, and sell them if he so desires?

If paintings which were not expressly commissioned are

bought from an artist, the artist, as the first author, retains the copyright where nothing is said as to copyright in the contract of sale. Where paintings are commissioned, the copyright vests in the person commissioning the work, if he or she pays for it in money or money's worth. Likewise, where the artist is employed and creates the work of art in the course of his employment, copyright vests in the employer. Hence the owner of pictures may have the right to make copies if he commissioned the work or was an employer for whom the work was created, or, of course if he has purchased the copyright or a licence to reproduce the work.

The cost of a bonus

The treatment for CGT purposes, of the acquisition cost in the following cases, clearly differs—

- (a) **British Telecom—Share Bonus:** The prospectus reads, "The individual will be treated as acquiring those ordinary shares for no cost..."
- (b) **British Telecom—Share Bonus:** The prospectus reads, "The share bonus... will be treated for capital gains tax purposes as if acquired at market value on November 30 1987."
- (c) **TSE—Loyalty Bonus:** The prospectus reads, "The Inland Revenue has confirmed that... for the purposes of taxation of capital gains, the extra shares transferred under the loyalty bonus arrangements will be treated as if acquired at market value on September 30, 1989."

Why does (a) receive different treatment from (b) and (c)?

In each case, the successful applicant (who so chose) became entitled to have additional shares transferred to him or her by the vendor after a specified date, in consideration of (inter alia) his or her having refrained from selling the shares originally purchased on credit terms. As this consideration cannot be valued, section 29A(1) of the Capital Gains Tax Act 1979 (which was inserted in 1981) provides that the additional shares "shall for the purposes of this Act be deemed



No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Inspecting a register

I am a shareholder in a private company and would like to see the share register to see what transfers and what changes have taken place.

Have I any rights to ask to see this register at the registered office or anywhere else?

You are entitled to inspect the register of members at the registered office of the company. You may get most of the information you require, however, by effecting a search at Companies House of the annual returns filed by the company.

Threat to pension

I recently received a letter from the pensions officer of an assurance company stating that unless I submitted a certificate of survival validated by a bank official or sub-postmaster, he "would be unable (sic) to continue to pay my pension." There must be many cases where such a letter would, for a variety of possible reasons, receive no response from the addressee and the insurers would then stop payment on a mere assumption of death. In any case, the inference that official confirmation of the addressee's reply is necessary is a gratuitous and unwarranted insult. Is the company acting within its legal rights if it stops payment without authority and without checking further sources? Unless the contract under which the pension is paid expressly provides for submission of certificates such as you describe the company cannot insist on such a confirmation of your existence. No doubt if payments ceased you would soon register your continued existence, and you would be entitled to be paid all arrears.

Nominee holding

On July 19 you answered a question about a nominee company for holding shares. You did not mention that an unlimited company has the advantage of not having to file accounts (s.241), but any close company has the drawback that it can claim no concession for capital gains tax: further, if a capital gain is taken in cash capital gains tax is payable on the gain (or corporation tax in lieu), and if a director or associate draws any of this out he is taxed again.

If I could get rid of my company without paying capital gains tax twice, I would gladly do so. It occurs to me, with respect, that you may perhaps care to supplement the advice you gave to your reader.

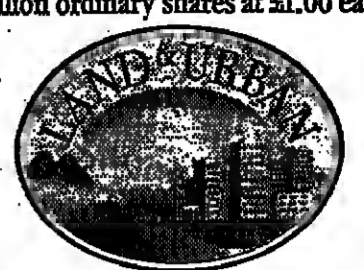
The reader's question related to a nominee company, not an investment-owning company. A nominee company does not own the shares which are registered in its name; it merely acts as a cloak to conceal the identity of the beneficial owner of its shareholdings. The cloak may have to be lifted in some circumstances, of course.

In short...

I am self-employed. I am a bachelor with no dependents. I pay an annual subscription to the Private Patients Plan to cover the cost of possible private medical treatment. Am I allowed to charge this subscription as an expense against my gross income for Income Tax purposes? The answer is NO.

Business Expansion Scheme NO CAPITAL GAINS TAX

ASSET BASED COMPANY
Chancery Securities PLC
(one of the leading BES sponsors)
are sponsoring an Offer for Subscription of up to 5 million ordinary shares at £1.00 each in



- Land and Urban (Development and Secured Construction) PLC
- Already trading as a property developer and deferred payment building contractor
- £275,000 already promised by directors, associates and investors
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- No capital gains tax on selling BES shares after five years

This advertisement does not constitute an offer or invitation to subscribe for any shares.

To Chancery Securities PLC, 12 Northcote St, London WC1N 2NW.
Tel: 01-242 2563 (24 hrs.)
Please send me a copy of the Land and Urban Prospectus.

Name _____
Address _____
Postcode _____ Tel. No. _____

Have you got a few words to say to your Bank Manager?

RATHER SURPRISINGLY QUITE A FEW BANK MANAGERS HAVE MORE THAN A FEW WORDS TO SAY TO THEIR BANK MANAGERS ALSO!

In banking jargon it is called CORRESPONDENT BANKING and the people who ask it are politely called "Bank Calling Officers."

As with any consumer, industrial or commercial product, awareness of the corporation behind the product, and its management, is an essential ingredient in selling. Contacts and loyalty built up over many years can dissolve rapidly which is why advertising in THE BANKER regularly informs and influences the international banking community far beyond the capacity of your personal calling programme.

Over 70,000 readers in 130 countries read THE BANKER each month.
Say a few words to them regularly through the pages of the Journal they read, respect and rely upon for essential management information.

MANAGERS: MURRAY JOHNSTONE LIMITED MURRAY VENTURES PLC

Results for the year ended 31 July 1986		
	1986	1985
Equity shareholders' interest	£56,038,842	£37,875,544
Asset value per share	539.8p	364.8p
Revenue available for ordinary shareholders	£912,809	£633,635
Earnings per ordinary share	8.79p	6.10p
Ordinary dividend per share—Interim	2.50p	1.50p
—final	6.00p	4.00p

Investment Policy
To achieve capital and income growth through investment substantially in unlisted securities.

Highlights for the Year ended 31 July 1986

- * Net asset value per share increased by 48% compared with an average increase of 39.4% for all investment trusts. A.I.T.C. figures place Murray Ventures first out of eleven funds in its respective sector over this period.
- * Net revenue attributable to ordinary shareholders rose from £633,635 to £912,809—an increase of 44% over 1985.
- * Over the year, in excess of £12.5 million was invested in unlisted securities of which £5.5 million was accounted for in management buy-outs. This part of the portfolio has performed particularly well—showing capital appreciation equivalent to 103%.
- * The Directors recommend a final dividend, in respect of the year ended 31 July 1986, of the ordinary shares of 6.0p per share making 8.5p per share for the first year—an increase of 54.5%.
- * A capitalisation (scrip) issue of one ordinary share for every one ordinary share is also recommended. If approved, the board expects to recommend dividends totalling not less than 5.0p per share for the current year on the increased share capital, an increase of 17.6%.

Copies of the report may be obtained from the Secretary, Murray Johnstone Limited, 163 Hope Street, Glasgow G2 2UH. Telephone: 041-221 9252.

GOOD NEWS FOR SMALLER PENSION SCHEMES FROM CHASE MANHATTAN FUND MANAGERS

The straightforward answer to your clients' retirement problems

If you have clients who require investment expertise for the management of their pension funds, especially smaller companies, you can now make a very clear-cut recommendation—the Chase Manhattan Managed Retirement Fund.



This new investment fund was launched on 27 October 1986, and is backed by Chase Manhattan, one of the largest financial corporations in the U.S.A. Here are the answers to questions you'll be asking:

What are the Fund's investment objectives?
The Managed Retirement Fund has been designed specifically for the smaller pension scheme. It aims for long-term capital growth through a conservatively managed portfolio of equities and fixed interest securities, both U.K. and overseas, to give a gross yield in line with the F.T. All-Share index.

What type of client is the Fund best suited to?
Although the Fund is intended primarily for use by smaller pension schemes, the fund is actually an authorised unit trust, so it isn't governed by U.K. pension legislation. For this reason it makes an attractive savings scheme, not only for company pensions, but also for individuals who have no "net available earnings" and wish to supplement their pension arrangements. An example of this would be an expatriate intending to return to the U.K. on retirement. It should be noted that investors outside a pension scheme may be subject to U.K. Income Tax and Capital Gains Tax.

Who are Chase Manhattan Fund Managers?
In April 1986 the Chase Manhattan Corporation recruited the Stock Market expertise of highly-respected British firms Laurie, Millbank & Co. and Simon & Coates to form a new organisation—Chase Manhattan Securities. One of the results of this move was a strengthening of the original investment team, set up by Simon & Coates to run their in-house unit trust. This team is now known as Chase Manhattan Fund Managers—and we believe it is the ideal amalgam to maximise any opportunities created by developments in the London Stock Market.

Of course, Chase Manhattan Fund Managers benefits from the financial commitment and international contacts of Chase Manhattan Corporation, the holding company for one of the largest banks in the U.S.A.



What is the Fund Managers' investment track record?

At present, the managers handle just one other investment fund—the Simon & Coates Special Situations Trust, which is the U.K.'s second best-performing Special Situations Trust over the last 12 months to 1 October (Source: Money Management). Although there's quite a difference between managing a special situations trust and a pension fund, our widely-experienced and well-qualified team of managers firmly believe that the Managed Retirement Fund can outpace its competitors.

What is the minimum investment?
The minimum investment is £5,000. The initial price of the units was 25p—current prices are quoted in THE TIMES and the Financial Times. The starting yield is estimated at 4%. Potential investors are reminded that—as with other investments—the price of the units and the income from them can go down as well as up.

How do I request further details?
We will be pleased to send you more information about the Managed Retirement Fund, and about Chase Manhattan Securities generally. Simply call the number below or complete and return the coupon.

RING 01-606 6622
to request more information

The John Clarke, Chase Manhattan Fund Managers Limited, 72/73 Basinghall Street, London EC2V 5DE.

Please send me more information about the Managed Retirement Fund and Chase Manhattan Securities (tick box if required)

Surname _____
Forename(s) _____
Address _____
Postcode _____

CHASE
Chase Manhattan Fund Managers Limited
Registered Office: 72/73 Basinghall Street, London EC2V 5DE. Registered in England No. 1639995.

MANAGED RETIREMENT FUND

A FINANCIAL TIMES SURVEY The Financial Times is proposing to publish a Survey on MANAGING ENERGY

on December 2 1986

For further information, please contact:
WILLIAM CLUTTERBUCK
on 01-248 8000 ext. 4148

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
LONDON - FRANKFURT - NEW YORK

When computers were born 30 years ago, they weighed close on 30 tons and occupied a complete room. Today, a machine of similar capacity would hardly fill a briefcase.

If equally dramatic changes had taken place in the car industry our headline would be unremarkable.

A Lamborghini really would be that easy on petrol and your purse-strings.

When integrated circuits first arrived, they cost £40 apiece. Now they are ten-a-penny. Literally.

As computer production costs have gone down, their use has gone up.

**3,000,000 MILES TO THE GALLON.
YOURS FOR £1.35.**

Children today are as at home with software as they are with soft toys.

Immunity from the rampaging microchip has been granted to no one. Banking. Insurance. Retail. Wholesale. All have bowed before it.

But it is the manufacturing sector which has the most to gain, as well as the most to lose, from its advance.

We are on the verge of a second industrial revolution.

Before the advent of steam, 80% of the population spent their days, and much of their nights, working to feed the nation.

After it, they were free to put their talents to other tasks.

Now the computer is coming to the aid of today's workforce. Already, repetitive and unpleasant jobs are being carried out by robots.

At the same time, our traditional dependence on established raw materials and forms of energy is being lessened.

Evaluation and development programmes that took years, can now be completed in days. New products, new services and new markets are easier to develop. Complex problems are easier to solve.

Such changes are taking place on a scale unthinkable 20 years ago. Clearly, the backbone of commerce is no longer iron and steel, but expertise and judgement. Today, ideas are the crucial currency.

Of course, radical, far-reaching changes require solutions to match. We certainly would not suggest finding the right answers is easy. But at Ernst & Whinney we believe we are better equipped to begin the search than most.



Ernst & Whinney

Accountants, Advisers, Consultants.

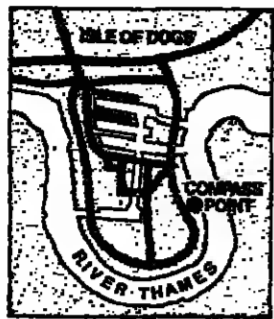
Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

London Property

COMPASS POINT

4 bedroom semi-detached homes & 5 bedroom river front villas

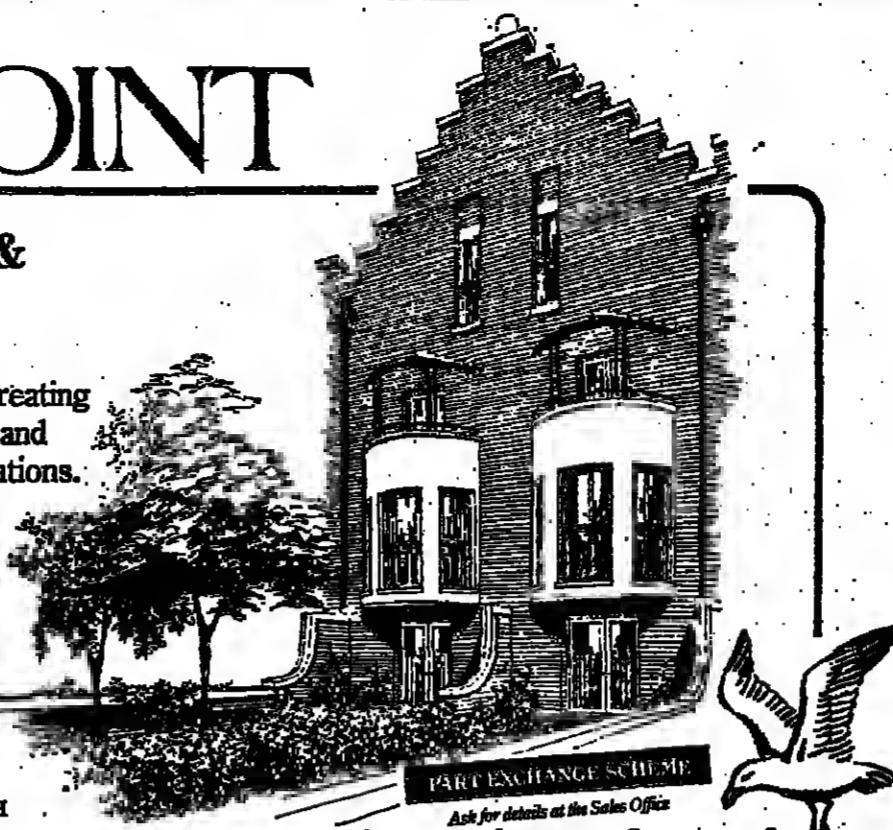
On the south-eastern river-edge of the Isle of Dogs' exciting and vibrant new community, Costain Homes are creating Compass Point a development, outstanding in both quality and design, featuring distinctive, dutch style, high gabled elevations.



Visit our on-site sales office or phone us on (0279) 58264. Prices from £139,000 - £230,000.

Costain Homes

Costain Homes (Eastern) Limited, 20 Naila Lane, Bishop's Stortford, Hertfordshire CM23 3BR



PART EXCHANGE SCHEME Ask for details at the Sales Office

QUEEN'S GROVE, NW8 This delightful period house of enormous character is offered at an exceptional price to effect an immediate sale. 4 beds, 2 baths (1 en suite), 3 large receps plus 2nd double aspect studio. Small patio and front garden. Prime location at Avenue Rd. 76 years. Main Agents: £550,000.

HIGHBURY NEW PARK, NS VIEW TODAY

The most luxurious new development currently available in Highbury. A choice of nine, beautifully refurbished three bedroomed flats situated in this extremely popular tree-lined boulevard. The open position close to Regent's Square. Large reception hall, cloak, study, dining room, ultra modern kitchen, double drawing room, playroom, 3 baths (2 en suite), dressing room, delightful small garden plus superb roof terrace. 53 Years. Sole Agents. Substantial offers.

BYWATER ST. SW3 Character Chelsea house on four floors. Fresh, bright and newly decorated. 3 bedrooms, 1 bathroom, 1 cloakroom, 2 reception rooms, eat-in American kitchen and small patio.

Available now at £175 per week 01-581 7646

ORCHARD MEAD, Opposite West Heath Road, NW11. Prices from £135,000. Selection of 2 bed flats in prime area. Amenities include 2 lifts, offstreet parking, communal stores, central lift, c.h., balconies, luxury common parts, bar, gym, swimming pool. 115 S. Ormeau and Co. 299 0811/431 7122/596 9681. Guinnee Estates 439 7511.

DULWICH 4 bedrooms 2,000 sq ft. Large house in quiet road with panoramic views over London. Completely refitted throughout to an extremely high standard. Jacuzzi, sauna, oak kitchen, wood block floors. 2 baths, video system, large garden, triple garage with automatic door, new curtains, carpets, appliances. £150,000. 01-693 1502.

KNIGHTSBRIDGE SW7. Superbly refurbished apartment in luxury secure, prestige block near Hyde Park. 2740 sq. ft. 2325 sq. ft. marble bathrooms, oak kitchen, large living room, double aspect, 3 bedrooms, 2 bathrooms, 2 balconies, large garden, 50' long driveway, 3 car garage, 500 sq. ft. roof terrace. Price £425,000. Linnos Ltd. Tel: 01-581 5554.

BELGRAVIA, SW1 A sumptuous newly refurbished period town house interior designed and fitted to an unsurpassed standard and occupying a premier position close to Belgrave Square. Large reception hall, cloak, study, dining room, ultra modern kitchen, double drawing room, playroom, 3 baths (2 en suite), dressing room, delightful small garden plus superb roof terrace. 53 Years. Sole Agents. Substantial offers.

REGENTS PARK, NW1 A beautifully presented larger than average modern town house with views of Regent's Park from the top floor. 5 beds, 3 baths (2 en suite), 2 large receps, luxury kitchen, balcony, patio garden, great ideas as home or for letting. FRESHOLD. Sole Agents. £450,000.

Now 125-Year Leases Prices from £106,000-£14,000 View today 11 am - 3 pm



LIBERTY MEWS Malwood Road, London SW12 24 Luxury Houses & Flats. 2 Zoned from 5 Bedrooms to 3 Beds. 2 Bathrooms to 1 Bath. Easy access to City and West End. Gas central heating. Carport/off street parking. 5 minute walk to Regent's Park. 5 minute walk to Regent's Park. 5 minute walk to Regent's Park. 5 minute walk to Regent's Park.

FARRAR SILKIN & GALE 0223 8111 29 Ventnor Road, London SW16. Tel: 0223 8111

HILSTONE A BUILDING DEVELOPMENT

HORNER HILL MAKING ALL THE RIGHT MOVES TO LET TEDDINGTON MIDDY Fully furnished detached Victorian house offering excellent family accommodation. 1 1/2 miles from village centre and S.R. station. Recently renovated and decorated tastefully whilst retaining many of the original features. 5 bedrooms, 2 bathrooms, 4 reception rooms, well equipped kitchen & heated swimming pool. Available now 3 year let. £7,625 p.w. Tel: (037294) 3611

SHORT AND LONG COMPANY LETS Near Marble Arch Fully Serviced Apartments STUDIO from £150 pw 1 BEDROOM from £250 pw 2 BEDROOM from £350 pw 3 BEDROOM from £450 pw

A unique Family Flat Near Kensington Gardens A spacious, elegantly furnished flat in a newly restored Edwardian. Meseage block which offers a resident management office and 24-hour security.

AYLESFORD KNIGHTSBRIDGE Superb quality 1/2 bedroom apartment in the prestigious block 1st class hotel catering. Maid service per week, laundry service, TV, CH HW, lift, 24-hour parking, Long/short let, ideal for company or London visitors. PRICES START FROM £25,000. 440 KINGS RD, LONDON, SW10. Tel: 01-331 2363

DUKE Duke Luxury Apartments 14 Elm Court, 11 Harrowby St London W1 Tel: 01-723 7077/258 3658 Tel/Fax: 26191 DUKE. Fax: 724 8228

CENTRAL LONDON 3-room fully equipped and newly decorated luxury West End flat in secure prestige block near Oxford Circus. Ideal for short company/seasonal, restaurant, residential or holiday use. Immediately available for 6 months (min.) in 4 years let. £220 pw including central heating, water, rent, service charge. TEL WINDSOR (0753) 890650

Overseas Property advertisement for Amarilla Golf & Country Club. Features text: 'An investment you can play with 365 days a year from £16,950'. Includes an illustration of a golfer and a map of the club's location in Southern Tenerife.

CLUTTONS real estate advertisement. Lists properties including Whitehall Court, Westminster SW1; Chesterfield Gardens, Mayfair, W1; Kensington Court, W8; Holland Park Court, W14; Waterford Road, SW6; Linden Gardens, W2; Oxford House, Brook Green, W6; and Marsh & Parsons logo.

The FT's property pages... where Englishmen sell their castles. Advertisement featuring text about property listings and a small illustration of a castle.

Aranco Overseas advertisement for THE RIV, PICCADILLY. Promotes Spanish villas, coastal farmhouses, and apartments. Includes text: 'are proud to present the developers of Spain's finest homes at THE RIV, PICCADILLY'.

SWITZERLAND advertisement for Lake Geneva & Mountain resorts. Features text: 'SWITZERLAND EXCEPTIONAL FOR SALE IN VERBIER' and 'THOROUGHBERED HORSE FARM IN THE HEART OF NORMANDY'.

Country Property advertisement. Lists various properties: Yorkshire Dales (Blea Moor Wood), South Devon (Near Totnes), East Horsley, Surrey (5 super 6-bedroom detached family homes), and Freehold investment West Sussex.

No FT... no new king of the castle. Advertisement featuring a large illustration of a castle and text: 'The FT reaches many more people of quality than any other national. Some might also think that Country Life reaches more of the right people than the Weekend FT.'

EURO PROPERTY ADVISERS advertisement. Features text: 'The Specialist Overseas Property Company' and 'CANNES SELECTION OF PRIME VILLAS, HOUSES AND APARTMENTS from US\$400,000 up'.

Source: (1) ABC (2) 224,000 Country Life (3) Reader survey from ABC/FTS. Jan-Dec 85 (4) 224,000 Country Life (5) ABC (6) NBS Jan-Dec 85 (7) 44,000 Financial Times AB Adults NBS Jan-Dec 85

Jag for Car of the Year

WITH ALL the international shows out of the way, motor manufacturers' thoughts have now turned to the question: who will win Car of the Year?

There are a lot of "best car" awards, including the "Top Car" chosen by Britain's Guild of Motoring Writers but the best known is "Car of the Year." This is run by a consortium of European newspapers and magazines and is decided by an international jury of more than 50 people.

"Car of the Year" award is prized by a manufacturer but it does not always mean that the winner is going to be a commercial success or even that it is a very good car. There have been several disappointing ones in the past, the Rover SD-1 and Chrysler/Talbot Horizon among them.

Not all members of the jury vote with total objectivity. National feelings influence the outcome much more than they should. Despite its shortcoming, however, "Car of the Year" means more than any of the other awards, even if last year's jury did put the Lancia Y10 ahead of the Mercedes 200-300 series cars as runner-

up to the winning Ford Granada.

Some years there are so few eligible models that it hardly seems worth having the competition but that cannot be said of this year's entry.

Any one of five new cars — the Jaguar XJ-6, BMW 7-Series, Audi 80, Rover 800 and the Citroen AX — would be a worthy winner and one of them must get the coveted award. But which?

Both the new Jaguars (and their Sovereign and Daimler variants) and the new BMW 7-Series are so like the car that went before them that at a casual glance it is quite difficult to see the difference. They appeal to a fairly conservative kind of buyer who prefers evolution to revolution, which is just as well — the cost of developing a radically new luxury saloon defies description.

I think the Jaguars will win more votes than the BMW, mainly because they have new engines to go with their advanced electronics. The BMW's in-line 3-litre and 3.5 litre sixes are from the old 7-Series cars. If only BMW's

V12 had been ready in time for 1987 Car of the Year it might have been a different story.

The Rover 800 will, I am sure, lose some votes because it was conceived as a joint project with Honda. Though the jury is well aware of the merit of Japanese cars and even voted the Honda Accord into fourth place last time, the Japanese are feared as well as respected in Europe. That will show in the result.

If the jury feels the award should go to a small car, not a large and fairly thirsty luxury saloon, the little Citroen AX must end high up in the results. Everything about it is new, including the ultra-economic engines, and it has been designed by computers to be made very cheaply by robots. Commercially, it may be the most significant of this year's crop of new cars.

The Audi 80 will pick up points for its distinctive aerodynamically effective styling, the ingenious steering wheel retractor that protects a driver from injury in a severe crash, and the availability of quattro permanent four-wheel

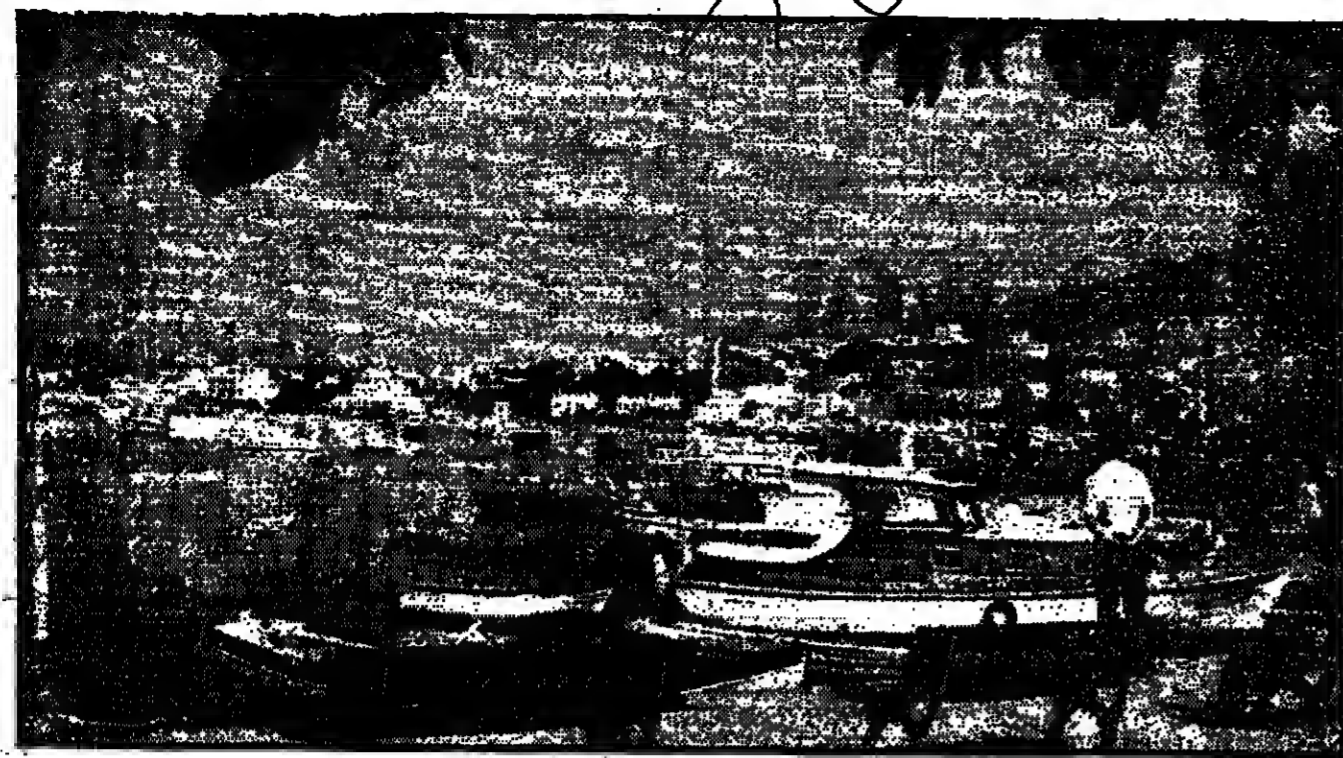
drive with self-locking central differential.

A sixth new car likely to be well placed in "Car of the Year" is the Renault 21. It will not win because its appeal is to the chequebook, not a jury. Renault can afford to be philosophical about missing the award because the 21 is selling well anyway. I think the "Year" with the Renault 9 a few years ago did nothing to prevent it being a dead loss in the showroom.

Making up the top 10 will, I suspect, be the Ford Sierra Cosworth, the Volvo 900ES coupe and the Fiat Croma.

But which will be first? Were it possible to bet on the result my money would be on the Jaguar, which I would link in a three-car forecast with BMW 7-Series and Citroen AX. I think the Audi 80 and Rover 800 may justify for fourth and fifth but beat either of them to it. The nail biting will be ended by the middle of the month.

Stuart Marshall



Historic Bodrum... still cheap with plenty of unrivalled ancient ruins just down the road

Jaunty Turkish delight

WHEN MAUSOLUS, a tyrant, died in 353 BC, his wife, who also happened to be his sister, thought he deserved a memorial. So she erected a mighty tomb on the hillside overlooking the town now known as Bodrum, in southern Turkey, where the Aegean Sea turns left to become the Mediterranean. Her effort was accepted as one of the wonders of the ancient world and a useful word was coined.

Over a thousand years later the Knights of St John made one of their last stands against the Ottomans at Bodrum, sacking the Mausoleum for its stone to build a mighty, but ineffective, castle. Little wonder that Bodrum, with such a decent history, should become the smart resort of Turkey. Is it Mick Jagger on that yacht? Oh, well, never mind.



TURKEY is still remarkably cheap—accommodation starts at £3 a night (without breakfast), settees at around £14, and very rarely more £60 at luxury hotels. Meals are around £4, but even in Bodrum you can eat well for £1.50.

The leading tour operator, and now big in Bodrum, is SunMed, but Lancaster and Horizon are also active. Small World concentrates on sailing holidays. There are few good books on Turkey but George Best's series on the cultural sites is comprehensive. More information from the Turkish Tourist Office—01-734 9661.

Bodrum effortlessly fulfils both of the two major attractions of Turkey, which make it the constant hot tip as the next holiday destination. And, yes, 1987 really is going to be the breakthrough year. It has unrivalled historical remains: anyone bored by the thought of weeks lounging on beaches at least knows there is Ephesus, or Pergamon, or Xanthos just down the road. The other major attraction is that it is still remarkably cheap. In Bodrum, the restaurants crowding the marina offer fillet steak for under £1, and off the front prices are even lower.

It is a jaunty town, not yet cynical enough to rook the visitors who pour in by land and sea. Peasants sit budded before half a dozen home-grown granates or figs in the colour-crazy Friday market, while up on the castle sophisticated has reached a level where bemused young girls wearing the cloaks of St John serve wine in the English Tower. (Each European nationality of Knights had its own tower, and the graffiti survives to prove it. The English is now used as a bar.)

What Bodrum lacks is beaches within its bay, and luxury hotels. This need not matter because the best way to call is by boat. You can make your own way to Turkey and perhaps hire a crewed yacht for around £40 a day, but increasingly on offer are packaged holidays in which your accommodation is on board one

of the traditional wooden boats of the region, known as gulets. You pick up your gulet, with its four man crew, in Bodrum or in Marmaris, along the Mediterranean coast. In theory, you decide where to go; in practice the captain will get his own way. He will also provide the food, and, with your cash, stock the boat with liquor. It is a quite idyllic holiday — with some reservations. For a start, it helps if you are very friendly with seven other people. A typical gulet will have four tiny twin cabins, and although the weather is usually good enough for people to want to sleep under the stars on deck, there is a distinct lack of privacy down below.

There is also a limit to the amount of sunning, swimming off the boat, drinking, and general lotus eating that a body can absorb in a confined space. The best use of the gulet is in persuading the

captain to call in at interesting spots along the coast, forcing your fellow cruisers to share a passion for archaeological sites. They are in good supply. A few hours cruise along the coast from Marmaris to the bay at Ekinlik. The only building on the mountain side is an ambitious restaurant, which offers a change from the basic cuisine of the ship's cook (although you have to spread out of maces, meat bolts, fruits and wines). At Ekinlik you can pick up a sea-taxi, which takes you round the headland for one of the most diverting day excursions imaginable.

You start with the remains of Caunus, a mighty city until malaria cleared out the population a millennium or so ago. Slowly, archaeologists are uncovering a Byzantine church, and a Hellenistic city, with temples, baths and a market place. Back to the boat for a rather creepy glide through a landscape of reeds, transposed from an African savannah, edging towards strange temples cut high into the surrounding cliffs—the tombs of Carian chieftains of 2500 years ago. On and on till a vast inland lake is reached, teaming with wild life. Close by are sulphur baths — and the river-side bars of modern Dalyan. Then, it is back to the mooring, swapping byms for the ululating love songs of the Turk at the bein as night falls suddenly.

The coastline is untouched, revealing strips of sand points to welcome the hotel which will decorate them. But the gulets will drop anchor for the night in coves where there is a bar at least. So you can row ashore to meet the fellow British at bay. For this is the part of Turkey favoured by nautical yuppies, and the strong silent members of smart south-coast yacht clubs, as well as poor millionaires.

Marmaris, doomed to be the largest marina of the Mediterranean by 1990, has a more raffish feel than Bodrum, with its bargain leather shops, dubious carpet dealers and fantastic buys in sponges, Lacoste shirts, and honey. Another port of call must be Olu Deniz, not just because of its white scythe of a beach and pounding night life, but because it is convenient for Xanthos, one of the

major classical sites near the coast. It was the town of the Lycian people, doomed to disappear through pride: they defied stronger aggressors, like the Persians, and were massacred to a man (presumably a woman or two survived).

This is now one heap of half hidden stones, which does touch the senses. Xanthos was built on a precipice overlooking a river that really did flow with blood. Tombs, reliefs and amphitheatres remain, but most of its history has still to be uncovered. Like many Turkish sites, the best bits are in the British Museum: go and see the mighty temple from Xanthos, which was reckoned to be as impressive as the Elgin marbles when it reached London in the 1840s. It has its own room in the museum.

To re-see it after climbing the desolate site, it once occupied in a far land is to get a new perspective on Turkey, a country which has had waves of invaders but, until now, has resisted the modern tourist, resisted not with antagonism but with enough pride not to let holiday-makers upset its wiles. The tour operators, led by SunMed, which is offering the gulet from an inclusive £289 per person a week in April, to £389 a week in peak season, are sensitive about this vast potential, easing its few resorts gently into their brochures. Look of hotels means that most visitors buy cheaply in village houses or live on the boats. Spoilation is some way off.

No everything is perfect on the Turkish southern coast. The fool is usually better in restaurants than hotels, with mezes—a dozen small dishes of everything from spiced yoghurt in a cold to aubergines to borek (delicious fried cheese)—the top buy. But many tourists are brought low for a few days during their holiday through eating this kind of food. Car hire is rather expensive and accommodation in the houses can be claustrophobic. A two-centre holiday, combining a resort like Bodrum or Olu Deniz (best for the young), with a week's gentle cruising, would be the ideal initiation. And gettine nut into the countryside is a must—within 10 miles of the coast there is a rural life with medieval values still thriving.

Antony Thorncroft

Range Rover lacks appeal



FOR MOST Range Rover owners, the normal V8's power is enough. But towing a heavy trailer — or forcing its blunt shape into the teeth of a gale on a motorway — can reveal the need for a bit more muscle. This is where Jansport Engineering of Salisbury (0742 21638) comes in with a turbo conversion that increases engine output by nearly 50 per cent to 220 horsepower.

Nothing much happens until 2,500 rpm. Then, the turbo gives a hefty boost to acceleration, especially between 50 and 70 mph in fourth and 70 to 90 mph in fifth gears. There is less need to change down on long hills and this must account for the 16 mpg I averaged.

I had expected worse. Much of my mileage was at business motoring speeds between London and Birmingham, leaving the M1 and its contraptions near Northampton for the relative peace of the A45. I don't think a normal Range Rover would have done better and I would certainly have had to make more use of its disagreeably heavy gearbox.

The turbo is almost silent. There is a faint whine as engine revolutions rise, and a curious noise like a steam engine sighing if you lift off suddenly while accelerating hard. The turbo has a civilising influence on the rugged

handling is elephantine, as one would expect of a high slung car designed to cross deserts or climb mountains. The power-assisted steering is fine and, despite its bulk, it is not difficult to park because the view from the driving seat is commanding. But I really cannot see the point in having a Range Rover to use only as a rambling, four-wheel drive, which is what so many owners seem to do with them.

Range Rover, but whether it is worth the best part of £2,000 extra is for an owner to decide.

I have to admit every time I use a Range Rover as one would a conventional car, I find its appeal more elusive. By cross-country vehicle standards it has a wonderful ride; but compared with, shall we say, an Audi Avant quattro estate, the comfort is unimpressive.

Roadholding is secure but

What the 16-year-old Range Rover needs is further development, especially to the transmission. Yes, I know it works wonderfully well across rough terrain. But it is pretty awful on the road with its whining transmission, heavy clutch and clumsy gearshift. It often crunches noisily into reverse, which is embarrassing close to the gate to first gear.

I shall make no friends for saying so, but I think a golden opportunity was lost when the politicians took fright and stopped General Motors from bidding for Land Rover Limited. With GM's resources, the Range Rover could have been updated and made once again what it used to be—the best thing of its kind in the world.

Now, it reminds me of a fifth grade that still charges the earth even though its standards have fallen. It gets away with high prices because no one wants to be the first to say that the old place is not what it used to be.

Anyone who feels the need to have a Range Rover as a road-going estate car would do well to find the extra £1,038 for the new four-speed automatic transmission. A two-wheel drive Range Rover is a much nicer vehicle to drive.

S. M.

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S. M.

BRIDGE

YOU WILL FIND much to entertain you, and much to test your powers of analysis, in Hugh Kelsey's latest book, *Bridge Wizardry* (Methuen £8.95).

We start with teams-of-four:

At game all West dealt, and North opened the bidding with one spade, South replied with two hearts, and North rebid two spades. South now said two no trumps, North bid three diamonds, and South's three no trumps concluded the auction.

West led the three of clubs, East cashed king and ace, and a third club was won by the Queen. The declarer led a heart in the hope that East had the ace, but West produced the ace at once, and defeated the contract with two more clubs.

In the other room South was in the same contract, and received the same lead.

The first three tricks were the same, but after taking his queen of clubs, the declarer decided to run five spade winners. He knew that, even if there was no actual squeeze, forcing discards could on occasions cause acute embarrassment to the defence, so he ran off dummy's spades, discarding

two hearts and a club from hand. West was able to part with three hearts without discomfort, but the fifth spade put him in deep trouble. If he threw a club, declarer would be able to dislodge the ace of hearts without danger, so he threw a diamond, hoping that East might hold the ten. The hope did not materialise, and South made three diamonds for his contract.

The next hand illustrates Morton's Fork:

With both sides vulnerable, South dealt and bid one spade, and West overcalled with two diamonds.

North had a slight problem, but he decided to bid two no trumps, and South jumped to four spades.

West started with the ace of clubs, then switched to the ace of diamonds, followed by the Queen. It is usually right for the declarer not to take an early discard until he knows the right card to throw. The winning line is to play low from the table, ruff the diamond queen in hand, and draw trumps in three rounds, throwing a club from the table.

The declarer leads his knave of clubs, and overtakes with the queen on the table. East is now impaled on Morton's Fork. If he holds up, South can discard his other club on the

diamond king, and then take the heart finesse, certain of ten tricks even if it loses. If East takes his king of clubs at once and returns a heart, South refuses the finesse, takes his ace, crosses to the ten of clubs, and throws his heart losers on the king of diamonds and the nine of clubs.

The opening lead of the ace of clubs was a mistake—it was the day that the US met the USSR, Fischer was due for the white pieces, Petrosian chickened out, and Boris Spassky took the No 1 board. The game—a draw after missed chances on both sides—attracted a capacity audience. Special demonstration boards were erected in Havana's main streets and squares.

With growing economic problems, Cuba never mounted another chess event on the scale of 1966. There were some young grandmasters, but Castro's dream of discovering a new Capablanca was unfulfilled.

Ironically in 1986, with Cuba again a minor chess power, it found a world champion, Walter Atencio, an unknown player competing against experienced rivals, took the world junior (under-20) title in Norway, overhauling the Russian in the final round.

England's James Howell, runner-up for the European title, missed a medal but won the brilliancy of the event: White: J. C. Howell (England) Black: M. Wahls (W. Germany) Sicilian Defence (world Junior 1986)

1 P-K4, P-QB4; 2 N-K3, N-Q3; 3 P-Q4, P-P4; 4 N-P3, P-R3; 5 N-Q4, P-Q3; 6 B-K3, N-E3; 7 B-Q4, B-K3; 8 Q-R2, P-Q3; 9 O-O, O-O; 10 B-N3,

Q-K1; 11 KR-N1, N-Q2; 12 P-KN4, N-B4; 13 P-N5, P-N4; 14 N-N, N-B4; 15 R-P5, Q-N; 16 B-Q4, P-N5; 17 Q-R5!

As often in sharp variations of the Sicilian Defence, book theory extends well into the middle game. A Russian analysis here gives 17... P-N5; 18 B-B8, R-K1; 19 Q-R6, B-B1 as good for Black, but the young players worked out that 18 Q-R6 wins for White since if P-K4; 19 BxK1, PxR; 20 QxQ, or 18... PxQ; 19 PxB, Q-N ch and mate.

A fine queen sacrifice, every player's dream. If K-K3; 31 B-R6 ch with mate after K-B4; 32 R-K3 or Q-Q4; 33 R-KN5; 34... Q-K1; 31 B-N6 ch!

came, and Bobby Fischer battled for the top board gold medal with the then world champion Petrosian. On the day that the US met the USSR, Fischer was due for the white pieces, Petrosian chickened out, and Boris Spassky took the No 1 board. The game—a draw after missed chances on both sides—attracted a capacity audience. Special demonstration boards were erected in Havana's main streets and squares.

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Guevara

PROBLEM No 644

BLACK (3 men)

WHITE (4 men)

White to move; what result? White is a pawn down, and though the black king is exposed it looks difficult to take advantage. 1 Q-R4 ch, K-N2; 2 Q-R7 ch, K-B1? 3 Q-R8 is mate but Black can reply 2... R-R8 or earlier 1... K-Q4.

Solution: Page XXX

Leonard Barden

Holidays and Travel

The temperature in Surrey today is 82° F

Port Antonio is in Surrey, Jamaica. And right now it's warmer than Surrey, England.

For the Jamaica Information Pack, write to Jamaica Tourist Board, 59 St. James's Street, London SW1A 1JL. (01-499 1707)

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BUSINESS BOOKS

The creative art of accounting

The man whose word stops bond markets



Henry Kaufman: uncanny abilities

INTEREST RATES, THE MARKETS and THE NEW FINANCIAL WORLD
By Henry Kaufman
By Michael Tauris and Co
258pp, £19.50.

TO BE known as a man whose word can stop the bond markets in their tracks is not necessarily a blessing. Henry Kaufman's reputation as a mover of markets has perhaps outlived the reality. It is one of the charms of the Kaufman

"summa" — *Interest Rates, the Markets, and the New Financial World* — that the sage of Salomon Brothers explains in some detail why this should be so.

Beware the share jungle

HOW TO MAKE A KILLING IN THE SHARE JUNGLE
By Michael Walters
Sidgwick and Jackson £5.95.

some cautionary tales about disastrous investments. However, the simple message being put over with great confidence is that the City is rich for plucking by the private investor, even the newcomer, providing they read the book.

That uncanny ability to call the cyclical turns of the US bond market was, to a great extent, based on forecasting credit flow through the rigid structure of the US markets in the days before they were unbinned by deregulation, monetarism, and financial innovation.

SOME BOOKS should carry a "this can damage your wealth warning." As the title makes clear, Michael Walters, deputy city editor of the Daily Mail, has a definite target in mind for his book. It is the small private investor, who as a result of the Government's moves to encourage wider share ownership, is being attracted to the stock market for the first time.

But Dr Kaufman's perspective also embraces a childhood shadowed by the Weimar inflation and flight from Hitler. With a graphic sense of what can follow from letting slip the integrity of credit, it is not surprising that he stresses the dangers in recent financial developments rather than their presumed virtues.

The easy pickings made on the privatisation issues—like British Telecom—have laid the groundwork in already greatly increasing the number and expectations of private shareholders. The tax concessions offered by the Personal Equity Plan to be launched in January will provide a further strong incentive to dabble in the stock market.

It is a justification for the book, if any were needed, to have set a well-established technical viewpoint in the political philosophy from which it springs. Under the deregulated regime a credit crunch is no longer a threat. But it can do the US legislature, and the new generation of entrepreneurial leverage artists, no harm to think about the consequences of a crash.

So Mr Walters's book is very timely and is likely to find a very receptive audience, especially as it is written in the short, sharp, easy to understand phrases used by financial journalists on the "popular" City jargon. Simplification of this kind certainly helps to improve readability.

In the new era, the whole approach has had to be stood on its head, starting with a structure of rates and working back to the probable credit flows. This reversal is sound—and perhaps the only way to go, in the changed structure of markets—but not so exciting.

The first secret of success, according to Chapter 1, is to "accentuate the positive, and ignore the negative." If this sounds a bit like one of those earnest American books on how to improve your happiness and contentment, Mr Walters then goes on to do just that and in a very convincing manner.

Jeremy Stone

Required reading for anyone involved or contemplating involvement in traded options in the City...

Smith: Trading Financial Options

By Andrew L.H. Smith, D.Phil (Manager of the Traded Options Department, Phillips and Drew)
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Management self-development: A guide for managers, organisations and institutions

by Tam Boydell
... a simply written book, with three objectives: first, to help increase a manager's sense of responsibility for his or her own development; and second, to help in a practical way all those who are keen to develop themselves. But it is the third objective that is of direct interest to trainers: the book aims to provide guidance to training officers in organisations and institutions which are keen to facilitate and assist managerial self-development... a matter of organisational culture... (The Training Officer, Manchester).
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by Alan Gladstone
The message here is that international labour standards need not be viewed as constraints on managers in the exercise of their functions, but rather as helpful sources of practical and profitable information and guidance. The volume seeks to make them understandable and sets standards on the recognition of trade unions and other workers' representatives, and on dealing with them through collective bargaining and various forms of consultative and participatory machinery. It also discusses standards which touch on the personnel function and on human resources management.
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CREATIVE ACCOUNTING

By Ian Griffiths
Sidgwick and Jackson
190pp, £9.95.

ONE OF the mysteries of the securities market is that analysts go to such lengths to forecast the results of companies with great precision, even given that the quality and reliability of the earnings statements, when they arrive, is generally so low.
Ian Griffiths lists an impressive number of ways in which creative accounting can be brought to bear. His book is well put together. But it has to be said that little in it is exactly new and it does not really explain why the sophisticated financial markets put up with information from companies which is not of the highest standard.

One answer is that shareholders, as well as management, may see it as being in their interests that the figures should be massaged. Higher earnings should result in a higher share price. Certainly shareholders showed little desire to be told the less flattering current cost figures before they were dropped from company reports. They much preferred to live in a fools' paradise.

A second possible explanation is that the professional investor is more interested in gaining exclusive insights into companies than in crunching the published numbers in the accounts. Personal contacts with managements are therefore essential but they are not aided by a critical stance to company accounting principles. The figures are potentially important user lobby is massaged and feeble.

Meanwhile, the auditors, as Ian Griffiths points out, are becoming more and more commercial in their outlook, which makes it improbable that any major crackdown on creative accounting will come from that direction, though to be fair the auditors do set limits.

Barry Riley

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THE STUDIO sign lit up for the live production: "Vision On-Sound On." A stage manager in a white coat blew a whistle—and the modern age of communications had begun.

Fifty years ago tomorrow the BBC officially launched the world's first regular high definition television service from two small studios in London's Alexandra Palace with an hour of programmes to be shown in the afternoon and an hour in the evening. Sunday's excludes the

After the speeches on that first afternoon, Adele Dixon sang a specially composed song called Television, which went: "A mighty maze of mystic magic rays is all about us in the air."

To the few hundred people in the London area who could afford the 10 ins by eight ins sets at 96 guineas—the price of a small car then—the rays must indeed have seemed to be magic as Buck and Bubbles followed the song with their tap dancing routine. Unfortunately the live programmes were as transient as a theatrical performance and no trace of them has survived.

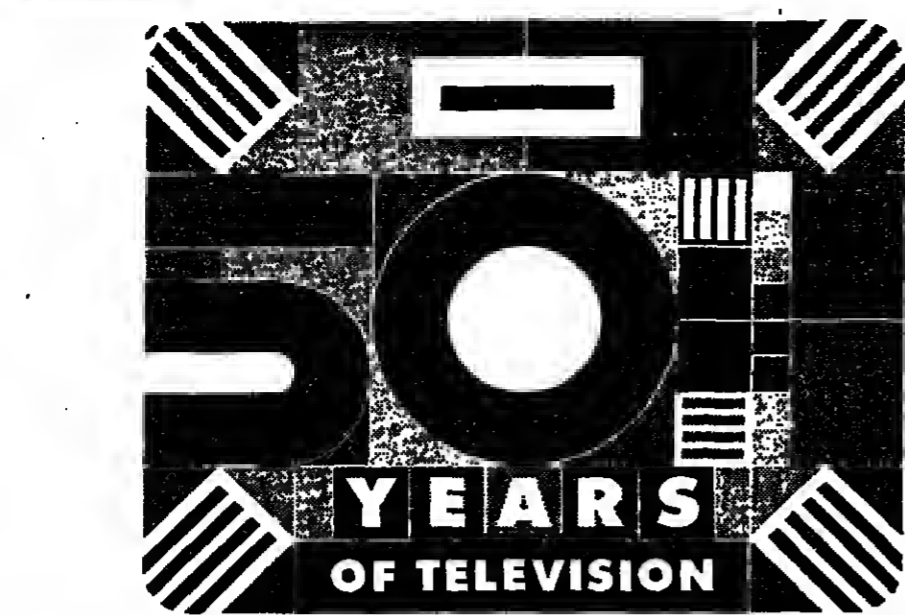
A few glimpses of Adele Dixon singing her song, and of the coronation procession of King George VI on May 12 1937 from special promotional films, are all that remains.

The films were then shot to show in electrical shops beyond normal broadcasting hours to boost the sale of television sets. Though their early achievements have now all vanished into the ether, the small band of producers and directors involved were very much aware at the time that they were pioneers in the start of something important.

"We were the glamour boys," says Mr Cecil Madden, the first programme organiser and senior producer. He had to create the grammar and form of television almost as he went along, with about £1,000 a week to speed on making programmes. Mr Madden was portrayed by Slaughter Seymour in Jack Rosenthal's "The Fools on the Hill" on BBC-2 last Monday.

"We had nothing to do with the BBC at all. We were so bloody independent and they hated it," recalls Mr Madden, whose eyesight at 83 has faded but whose enthusiasm for talking about the early days at "Aly Pally" as it became known, is undimmed.

He now lives surrounded by his scrap books and photos of the stars who came to find out what television was all about. Just one of the problems they had to cope with at the beginning was the unresolved technological battle between two competing systems: the mechanical scanning system of Baird Television, the company of the inventor John Logie Baird, and the electronic system based on the cathode



Raymond Snoddy describes what happened at Alexandra Palace 50 years ago tomorrow

The day TV began

ray tube, hacked by Marconi-EMI.

The Government had decided there should be an equal trial between the two systems and that the future of television would be determined live on air as the two companies alternated one week at a time, providing the service from separate Alexandra Palace studios.

Electronics and the EMI-Msconi emerged as the undisputed winner after three months.

In that August of 1936 Mr Madden, then a producer with the Empire Service, which broadcast radio programmes 24 hours a day to the outposts of the British Empire, went with the rest of the tiny television staff to the council chamber of Broadcasting House to hear Mr Gerald Cock, the first director of television, outline his plans.

"He told us: 'We have nothing to do for three months. I suggest you all get into cars and go to Alexandra Palace and have a look and see what you make of it all.' Mr Madden says. When they arrived, Cecil Madden found that his name was already in large letters on the door of an office without a stick of furniture—although a phone sitting on the floor in the corner of the room was already ringing.

It was Gerald Cock calling to say that everything had changed since the earlier conversation. They were opening

in 10 days time. The Radiolympia exhibition, organised by the Radio Manufacturers' Association, were having trouble filling all their stands and they wanted to make a special feature of television.

Madden put together a 30-minute variety show called "Here's Looking at You," complete with a title song written specially for the occasion. A popular singer of the day, Helen McKay, then appearing at the Palace Theatre, sang the title song complete with the immortal lines of a chorus that went:

"Here's Looking at You From out of the Blue Don't make a fuss But settle down and look at us."

One of the first television announcers, Leslie Mitchell, assured the audience that they were "watching a programme that is actually going out now."

What actually went out included the television orchestra conducted by Ryszard Griebenau and Miss Lottie and Pogo the performing horse.

The show was performed live twice a day, alternating on the Baird and EMI systems, and was the only television programme ever staged for a run like a theatre. "We did it about 20 times and I got it slightly better every performance," said Madden.

The promotional programmes, which included film newsreels and film clips, are estimated to have been seen by more than 100,000 people at Radiolympia and beyond. When it ended the new

television team had "tasted blood" and didn't want to wait until the official launch to make more programmes. The result was the first edition of Picture Page, featuring Joan Miller as the switchboard girl putting viewers through to interesting personalities. It was first broadcast on October 8 and was to run for 262 editions pre-war.

To Madden, who had a taste for the world of variety and the theatre, London seemed to be in a frenzy in the years before the Second World War, "with plenty of sin and plenty of money" and a succession of top American acts coming to London to perform in the theatres. Beautiful girls came in droves to appear in the famous shows.

"I was able to look all these people and get them up to Alexandra Palace for 9 o'clock and back to appear in the shows at 11 pm and 1 am," he recalls.

Fees were sometimes a problem because television couldn't afford more than 25 guineas. Sonnie Tucker managed to push it up to £40 by bringing her own pianist along. Walt Disney rang from Hollywood to warn that the new medium would face a total boycott from the film industry and to offer Mickey Mouse, who became one of the stars of the British small screen.

Within the first fortnight following the official launch, the first ballet, plays and opera had all been produced in the studio and in less than three years more than 336 plays were produced. The theatrical highlights

included Laurence Olivier and Judith Anderson leadings the Old Vic Company in Macbeth from the Alexandra Palace studios, and Michael Redgrave and Peggy Ascroft in Shakespeare's Twelfth Night in its entirety direct from the Phoenix Theatre.

The producers were confident enough of their small, sophisticated London audience—the number of seats is estimated to have grown from 2,00 in 1937 to 20,000 in 1939—to put on four hours of the Habima Theatre from Tel Aviv performing The Dybbuk in Hebrew. On a lighter note George Bernard Shaw came to Alexandra Palace to meet the cast when his play "How He Lied to Her Husband" was being televised—and stayed to tea.

Development of outside broadcasting was also rapid. First, it was inside-outside broadcasting in the grounds of Alexandra Palace.

In May 1937, a special eight mile cable was laid beneath the street to bring George VI's coronation procession to an estimated 10,000 viewers. And when Chamberlain returned from Germany in 1939 the television cameras were there.

During the early years, some of the unexpected visitors at Alexandra Palace were more interesting than those due to appear. Late one evening Halle Selassie, the Emperor of Ethiopia, arrived with his family and entourage to look around.

One of his attendants inadvertently became the first Ethiopian to appear on television when he wandered through the studio doors where a play was going out live. He climbed into a mock railway carriage and sat down beside actors engaged in earnest conversation.

On another occasion a seal from a variety act arrived in advance of its owner alone in a taxi and had to be kept in the bath in an actor's dressing room.

"The emperor must have enjoyed himself because they all came back four days later. Those were the sort of things that could happen at Alexandra Palace," Madden says.

After nearly three years, the television service came to an abrupt halt on September 1 1939.

A phone call came through from Broadcasting House: "There's going to be a war. Turn it off and turn the lights out."

The programme on at the time was Mickey Mouse—"Mickey's Gala Premiere"—and it was stopped half way through. The television service was closed down without a word of explanation or even a goodbye.

By June 7 1946 the service was resumed on June 7 1946 they at least had the decency to show Mickey's Gala Premiere again.

All the King's Men

HIGH ON the north-east end of the Cotswolds are the Rollright Stones. "The greatest antiquity we have yet seen," said William Stukeley in 1710, adding that this stone circle of 250BC seemed "corroded like worm-eaten wood by the harsh Jaws of Time." For centuries it has luxuriated in legend. Recently it has revealed more of its archaeological secrets. It is a place of beauty, magic and the strange power of being very ancient.

There are three monuments to see—and many more below the soil. The circle is the King's Men, 77 lumps of limestone packed tight in a circle about 100 ft in diameter. Nearby is the solitary King Stone, and 400 yards away are the Whispering Knights, four standing stones and a fallen stone slab.

The old Cotswold ridge (or saltway or jurassic way) runs between the King's Men and the King Stone, making them landmarks for the footsore traveller for many centuries. It is on the watershed that separates the Thames from the Severn, and Oxfordshire (with the King's Men) from Warwickshire (with his Stone). The views are superb. One way lies the rolling country of the Eveslode, leading to the Cherwell, and then the Thames. The other way looks to the West Midlands, with the village of Long Compton below in the rich Stour valley, which leads to the Avon and so the Severn.

The ridge was still earth! Now you must force yourself to remember Welsh drovers taking sheep alone it or salt being brought from Droitwich, or the trade there was in antiquity. Then, flint for tools came up from the chalk country—even a greenstone axe from Cornwall. And the parallels for the type of stone circle are far away, in such places as Swin-side in Cumbria and Ballynoge in Co Down. Rollright was somewhere for meeting and trading, besides being a shrine.

Start with the Whispering Knights. They are the oldest monument. Better than driving right to the Stones is to park at the crossroads of the Oxford-Stratford A34 and the ridge-way, just before descending to Warwickshire. Take the signed public footpath going back a wooded bank 100 yards up on the A34 in the Oxford direction on the west side. Follow it for half a mile, passing Brightbill Farm. Then, over a fence, and look right. Rising from the ploughed field are the Whispering Knights, panned in by iron railings since 1894. Beyond in the stand of trees on the ridge are the King's Men.



The Knights are the remains of a fourth millennium BC Neolithic chambered tomb, of the type called an opraal dolmen—and better known in West Wales and Ireland, although the Knights are an outlier of the large Cotswold-Severn group of chambered tombs. The plan here is not quite clear. It should be an H-shape: a free-standing chamber with a three-stone portal in front (the middle one blocking the entrance to the chamber); a capstone (now fallen) over the chamber; and another stone to hold the capstone at the back. It may have been set in a low mound. The tomb portal looks southeast down the Eveslode valley.

The tomb may have been the holy place for 1,000 years until came the great labour of piling up the King's Men. Go round the field to reach them. Though they were among the first monuments to come into public guardianship after the 1882 Ancient Monuments Act, they are privately owned. Be considerate. Admission to the circle is 10p, proceeds going to an animal sanctuary helping the lost cats of London.

The stones look as Stukeley described them, even if many were re-erected in 1882. They are a sacred—not to say royal—enclosure, the stones low, oddly shaped and timeworn, which masks their having the same diameter as the outer circle of Stonehenge. The entrance is on the south-east.

If you count them and count them again you will find that you will be lucky to reach the same number.

The mystery is one of many legends. The King's Men were not petrified because of playing on the Sabbath as the Huriers on Bodmin Moor were, but are the army of a man who would be king if he could see Long Compton. But the ground rose up in front of him and he became the King Stone. Some stories have a witch/elder tree intervening. The Whispering Knights are usually thought to have been plotting against the King. Or they may be saying

their prayers. The King Stone would help infertile Oxen wives if they pressed their breasts against it at midnight. (The Cerne Giant in Dorset has been another standby for this trouble.) Also at midnight the stones went down the hill to drink. Chips of stone kept off the devil, especially if those threatened were soldiers or Welshmen. Chipping may explain the hole in the middle of King Stone. And the stones were a place for witches and fairies. Witch covens have met in recent times, though in 1866 shouts from passing cars of "Lovely night for the witches, then," deterred them.

The King Stone is not part of a long barrow nor does it have to the field east (toward the A34) of the King Stone is an Iron Age farmstead. The cemetery's connections with the Avon valley and Northamptonshire, show Rollright yet again as a station on the way to distant places.

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EAS President Reagan breathed new life into the Old Master paintings market? He probably did not plan his far-reaching tax changes with the prosperity of Bond Street in mind but by cutting basic tax rates and eliminating many tax perks, he has struck a blow at that strange old American custom whereby you could acquire an expensive painting (or work of art), offer it on loan to the local art gallery and while you basked in the glory, and the painting appreciated, your tax bill shrank by the cost of the picture.

Eric Turquin, of Sotheby's Old Masters department, for one, anticipates some bare patches on gallery walls and some action in the saleroom.

It is probably the coincidence that this week Sotheby's announced it was to offer in London on December 10 three of the finest Old Masters it has handled in years and which, until recently, graced the walls of American galleries. For almost two decades now, good Old Masters were as rare on the market as poor picture dealers, which quite naturally, deterred potential collectors. Now under the hammer come a fine, fresh, attractive Rembrandt of a young girl and a

pair of portraits by his Dutch contemporary Frans Hals.

Sotheby's puts a modest £3m on the Rembrandt, a genuine work by this much-copied artist, while the Hals should manage around £4m between them. For any museum or very rich collector lacking a Rembrandt or Hals this could be the only chance in a lifetime. The bidding will be fascinating with museums (perhaps including that at Boston which sheltered the Rembrandt for years and the Fogg in Cambridge, Mass., home to the Hals) fighting with the growing band of private buyers, mainly American, for Old Masters.

For, despite all the problems, Old Masters are returning to favour. By tradition the art lover first gets passionate about the Impressionists. Then his taste either strays to the more challenging works of the 20th century or drifts into the

academic world of Old Masters. They undoubtedly present a challenge. They require the accumulation of much knowledge; there are great problems in proper conservation and need careful handling; they are usually too large for modern homes and clash with other furnishings; their subject matter tends towards the religious, or portraits, or obscure mythological scenes—all outside current taste, experience and knowledge.

Above all, unlike the Impressionists, the works by the very greatest artists, like Raphael, Leonardo or Vermeer are locked in museums and will never come on to the market, so building up a collection is very difficult. No wonder then that when Old Masters do appear at auction they often go for ludicrously cheap prices—

a Tintoretto or a Veronese selling for less than an Andy Warhol or a Hockney.

The more confident tone in the market was apparent at Sotheby's on Wednesday when a fairly routine sale made £971,355 in the morning session with 14 per cent unsold. Italian paintings of the 17th and 18th centuries were much in demand among Italian dealers, even views of Venice by amateurish followers of Canaletto and Guardi. There are still some problems with the 17th century Dutch schools, especially the works of the Dutch artists based in Rome who appeal neither to Dutch nor Italian collectors.

The start of the auction was a large painting of Diana and her handmaidens by Johannes Fyt. Resplendent with dead game and dogs it is the kind of thing which would have passed unnoticed ten years ago but now

two prospective buyers were very keen, and the price of £66,000 (to the London dealer Johnny van Haften) was way above the £15,000 top estimate.

Sotheby's sale on December 10 is its best for many years. In the absence of first division Old Masters, the second division has come into its own, notably artists like Guido Reni (who hit the £2m mark recently with a painting estimated at £250,000) and Terbrugghen, who has topped the £1m. In December, Sotheby's is offering 17 baroque paintings of the 17th century.

There is a Guercino, with a ludicrously low estimate of £200,000-£300,000, and a work by Pietro da Cortona, estimated at even less. Along with the Italian 17th century Spanish paintings are returning to favour, and an offer is a very fine still life of fruit and bread by Melendez, an artist who has

just entered the National Gallery's collection.

For those who prefer decorative paintings, the auction offers a Praxinos and some sketches by Boucher. With forecasts below £150,000 these are ridiculously cheap—they have actually fallen in price in the last 20 years, probably because their prettiness has put off the new generation of collectors who prefer the tougher 17th century Italianate schools.

While it is nice to see Old Masters changing hands again, any startling rise in price could upset the British heritage. There are good Old Masters in the US which went there between 1880 and 1930 from the UK, but there are even better still in our stately homes.

If they suddenly seem desirable, some impecunious earls might be tempted to try the saleroom route to instant prosperity rather than take advantage of the numerous tax incentives to hold on to their treasures and sell them, if they must, through the various private treaty and listing schemes which secure them for the nation.

Antony Thorncroft

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Saleroom

Reagan boosts Old Masters

Collecting

Land of the Rising Artistry

EUROPE'S FIRST serious encounter with Japanese arts and crafts came in February 1954 with an exhibition at the Old Water Colour Society Galleries in Pall Mall East. The date is significant: this was only months after Commodore Matthew Perry had gate-crashed his way into the most closed-off country in the world and before any trade treaties had been signed with the west.

The exhibits, delivered by a Dutch ship, were the first direct importation from Japan to this country. Victorians flocked to marvel at the extraordinary craftsmanship of bronzes, lacquer, straw and bamboo work, furniture, porcelain, costumes and paper mache, and particularly the eggshell-thin porcelain, which exceeded all European dreams of fine porcelain.

Interest was further stimulated at the 1862 International Exhibition in Kensington, when Britain's first ambassador to Japan, Sir Rutherford Alcock, lent his personal collections of Japanese art. In turn, the exhibition was visited almost everyday by the Japanese ambassadors, carefully studying western tastes and export prospects. For Londoners the partly of 12 Orientals, in full ceremonial robes and carrying lethal swords, was a spectacle as diverting as any of the official exhibits.

The taste for Japania and the Japanese influence reached its peak in the Seventies. The appeal was divergent, Godwin,

Dresser and the aesthetic movement at large were thrilled by the simplicity of Japanese design. The arts and crafts people were stirred by the survival of a pre-industrial society and the craft values it enshrined. The great middle-class public, on the contrary, responded to the extravagance and opulence of a different class of work, luxury goods made for the new bourgeoisie of the peaceful, prosperous Meiji era, which began with the restoration of the emperor in 1868.

The Japanese workshops swiftly responded by producing large quantities of goods specifically designed for European export. Towards the end of the century incipient factory production flooded the market with cheaply made and often flimsy goods.

As early as the 1870s there were shrewd European connoisseurs and collectors of the best indigenous Japanese art— notably in France—and the last quarter of the 19th century saw the making of many fine and (by modern standards) vast collections. The first generation of collectors had no interest in export products. Along with the finest cootem-

porary work made for the home market, collectors or travellers brought in Europe great quantities of antique works of art. Enthusiasm continued and prices steadily rose throughout the early part of the century, until the Second World War effectively drove everything Japanese right out of fashion. The forties saw saleroom prices fall to rock bottom.

Recovery began in the mid-Sixties. Between 1967 and 1969, the period during which Sotheby's dispersed the huge Hindson collection, the average price for a netsuke rose from £20 to 100s. Prints and other kinds of classic collectors' goods followed much the same pattern, rising steadily and sometimes effectively doubling in price in the mid-Seventies when the whole antique market struck a rocky patch.

Works of art from the Meiji period, which had stirred comparatively little interest in collectors of earlier generations, came into their own rather later, at the end of the Seventies, with truly dramatic price rises. In 1984, for example, a cloisonne vase, which Sotheby's had sold in London five years earlier for £300, realised £7,780 in New

York, and this appreciation was not exceptional.

Recent years have also seen a steep rise in the prices of works whose interest is mainly decorative—a market quite separate from that of the connoisseur-collector. Much work produced in the Meiji period was designed to show off virtuoso craftsmanship rather than with any profound aesthetic intention. An example is the centrepiece illustrated here, a silver vase, recklessly

decorated and inlaid, and reposing, pre-eminently and all glitter, upon a fountain cunningly made of bronze, with a coiled dragon clutching a crystal ball. Not so long ago it would have been hard to fit it into any decorative scheme. When it is sold at Sotheby's on November 14 it is expected to realise between £6,000 and £8,000.

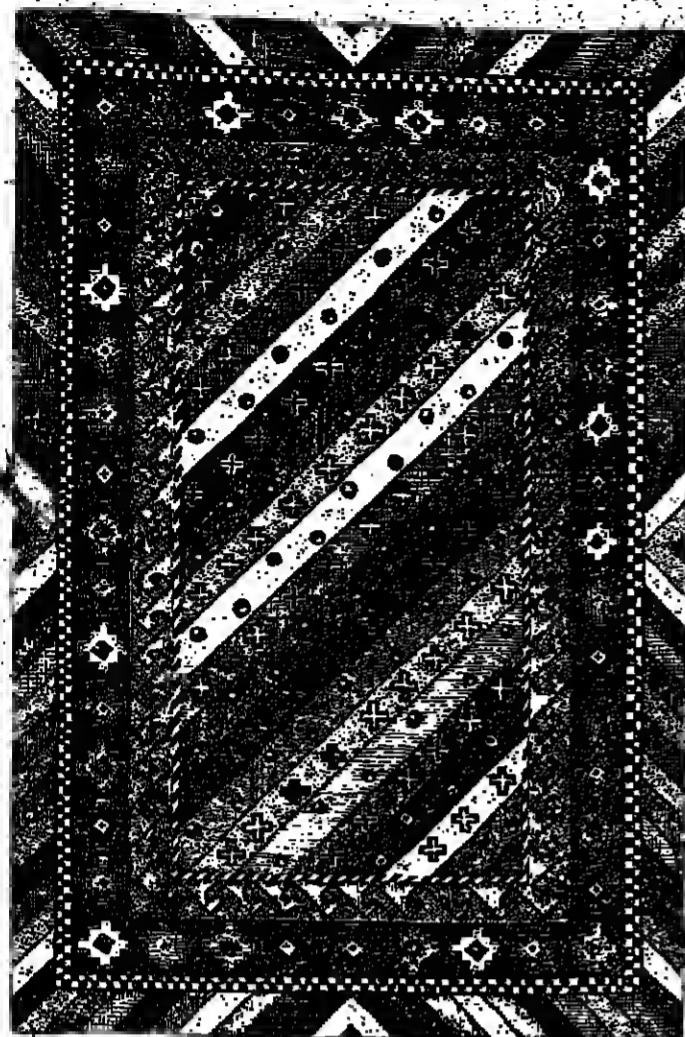
While the early collectors of Japania could be omnivorous, in recent times collecting has tended to be artist specialisation. Collectors choose mostly to concentrate exclusively on prints or porcelain, or netsuke or inro (the little compartmentalised boxes intended for medicine) or tobako (tobacco boxes worn like inro at the waist).

The collecting of sword fittings—the Tsuba or guards; the Fuchi Kashira, which fit at the tip and top of the sword; and the Kozuka, small utility knives that slip into the side of the scabbard—is a whole field on its own. Swords and sword fittings have not followed the steep upward price rise and still offer a field for the more modest collector. The Sotheby sale includes a fine collection

of Kozuka, including exquisite examples of carving, inlay, applique or enamelling, many of which will sell for no more than £200-300.

The salerooms are striving to integrate the market and break the tradition of narrowly specialised auctions. The two-day Sotheby sale on November 13-14 includes everything from 17

Rugged endeavour



James Ferguson

KELIMS ARE, I think, one of those timelessly beautiful art forms that have about them a charm, an inevitability, a rightness that few more self-conscious designs can ever better. For years they were under-valued, beaten in the status stakes by their more obvious cousins, the silk Quilms, the thick-pile "Persian" carpets, the antique Chinese rugs. Today, however, their charms have been fully appreciated at last, their prices are rising and they are harder to track down.

So perhaps the answer is to make your own. We asked Ehrman, which specialises in providing needlework and tapestry kits, and Kaffe Fassett, a designer who has a magical gift with colour and design, to produce a version of a rug inspired by the colours and patterns of Kelim rugs, specially for FT readers. The result is ravishing. You see it sketched here in black and white but though the strong Kelim-influenced pattern can be seen, the colours, alas, cannot. They are slightly less strong than the most familiar Kelim colours, being a mixture of nine different hues—from pale apricot, blues, whites, mustards, to dark browns and squamarines. They should work in a host of different interior schemes.

The rug, of course, arrives in kit form and you stitch it yourself. The stitches are based on a seven-to-the-inch pure cotton canvas made in Switzerland which is a much finer mesh than the normal five-to-the-inch canvas most commonly used, but it is still suitably hard-wearing for a rug designed to be put on the floor. The finer mesh allows much more detail in the design and this, I think, is part of its charm. The stitch used is cross-stitch.

The finished size is 32 in by 45 in. The yarn is top quality Persian wool from Rowan Yarns of Yorkshire. In the kit there is everything—the eager rug-

maker requires—enough wool to finish the rug and to allow for a few errors along the way, needle, instructions and the hand-stencilled canvas which has a colour identification panel at the side. The colours of the stencilled pattern itself have been heightened (which is often done) to make it extremely easy to match wools to colours—so don't be alarmed if at first sight the canvas looks alarmingly bright. The finished version won't.

When you've finished the needlework the rug will need pressing, blocking, stretching and backing. Ehrman will send a copy of instructions on how to do it if you send him a sae. Otherwise, a good needlework book will tell you how to do it. If you really don't want to do the finishing-off yourself, Ehrman will do it for you for about £25.

Anybody who is already a fan of Kaffe Fassett and Ehrman's kits may already have made one of Kaffe Fassett's Baroda cushions—the rug is very much in the same mood and would look marvellous in the same room.

The whole kit costs £48.50, including postage and packing. Orders should be addressed to: Financial Times Rug offer, Ehrman Kits Ltd, 21/22 Vicarage Gate, London W8. Cheques should be made out to Ehrman Kits Ltd.



Lucia van der Post



If knitting is your hobby you are in for a bonanza this autumn. Once upon a time the patterns purveyed by most knitting books reeked of elderly aunts and pastel colours; today the range of patterns to choose from becomes more sophisticated and more desirable by the day. It is almost enough to make me get my needles out.

Two books stand out in the current crop. Exclusively Yours, by Frances Kennett (Farran Books £12.95) features full-colour photographs and all instructions for designs by such names as Perry Ellis, Sasha Kaga, Bill Bibb, Calvin Klein and Claire Oates, whose cream and navy sweater is photographed here.

Designer Knitwear Collection (published by Pengelly Mulliken Publicity £7.95) bodes in on the same idea—exclusive designer patterns. It has a different set of names—you can choose from Zandra Rhodes, Pierre Cardin and the Emmanuels. This collection looks slightly more difficult to knit, is on the whole less classic and less sophisticated (Roland Klein's black sweater is a notable exception) and is also more colourful. Over to you.

If you have never tried knitting but you'd like to start, look out for Sirdar's new series of patterns aimed at Absolute Beginners (which is, usefully, how Sirdar labels the patterns). None of those maddening abbreviations (pl, pr, rep, K); everything is written out in full, every leaflet has diagrams, and there are explanations to help you every step of the way.

Finally, "Knitting: A Common Art" is an exhibition the ardent knitter won't want to miss. On at the Crafts Council Gallery, 12 Waterloo Place, London SW1Y 4AU from November 12 1986 to January 11 1987.

Catch a falling stair...

ALMOST anybody who has ever bought an old and run-down house one day needs to repair the staircase. Gifford Mead will come to the aid of those in search of staircase spindles, newel posts or gallery spindles and posts. Besides having a large selection of stock designs which can be delivered almost immediately, it will arrange to have spindles or posts turned to match existing designs. Because the business is based on wood turning, the company is happy to produce anything else in wood that customers might happen to need—posts for a four-poster, table-legs, chair legs. Much used by architects and designers, it is an address well worth noting for all who have even the smallest house to restore. There's a brochure available which shows the standard spindle and post designs in stock, as well as three of the standard doors it offers. Write to: Gifford Mead, Furniture Cave, 583 Kings Road, London, SW10 0TZ.

Catalogues late extra

A CHARMING American reader writes to tell me that I featured all his favourite catalogues in my piece on shopping across the Atlantic two weeks ago, but that I ought to warn readers (1) that in his experience surface mail takes much longer than the "official" 10 days; (2) the postage is sometimes an unpleasant surprise and (3) even if the items sent are a gift you will still be charged VAT end customs duty on its value.

Super art in the supermart

HAVE FUN trying to spot the Matisse or Hockney of the future at the Contemporary Art Society's annual supermarket for art, starting next week at Covent Garden. Sponsored by Sainsbury's, it was the brain-child of the Contemporary Art Society some three years ago. Today it has become a thriving annual event—a cross between a party, and a serious opportunity to buy artist's original work.

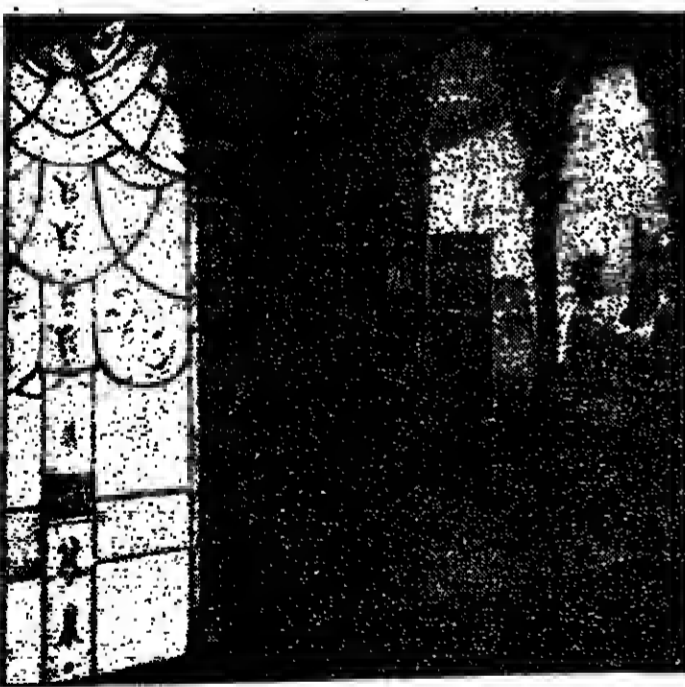
The original idea was that many potential buyers were intimidated by the hushed atmosphere of conventional galleries and that a more super-market-style sale would introduce a wider public to the delights of owning works of art.

I'm not entirely sure they've succeeded; those who arrive as the doors open to snap up the best paintings look very much as if they know what they're doing. I can't see them being intimidated by any gallery, no matter how hushed.

So you need to get there early to get the best pictures. Last year all the pictures I would have bought had gone by the first evening.

There will be some 500 paintings, drawings and sculptures, and prices will start from about £50, while the highest price around seems to be £600. All the pictures are easily seen, prices are clearly marked and you can take your work of art away there and then (says on the wall are filled by more pictures).

Artists like David Mach, Patrick Proctor, Terry Frost, Dhruva Mishra, and Nigel Hall will have works for sale. The fair is at Smiths Galleries, 33 Shelton Street, London WC2, from November 5 to November 8, 11 am to 5 pm.



"Rummage for a stained glass window..."



"Self-portrait with canaries" by Peter Griffin, gouache on paper, £250

Surprises come in salvage

FANS of architectural salvage companies might like to know there is a new one to visit. Townsend's have opened a 7,000 sq ft showroom at 36 New End Square, London NW3, where lovers of things old and beautiful can rummage for a stained glass window, an antique mirror, a piece of wrought iron garden furniture, wooden panelling, a wooden bandrail or any other piece to transform their little schloss.

The great excitement of these showrooms is that you never know what you'll find; it could be a beautiful fire surround, or the entire art deco frontage of a 1920s cinema (yes, there's one

In stock—hurry along if it's just what your own particular nest requires), or maybe just a 10 ft diameter glass dome.

Matt Townsend also has a stained glass workshop where he not only restores old windows but also copies them—if you need to replace a broken one for instance—and makes new ones. He also runs an acid etching service—often essential for Victorian windows; bell etch to any pattern.

Those unfamiliar with Townsend's might like to know that at 1 Church Street, London NW8, you can rummage for Victorian and other antique tiles, as well as brass fittings like door-knobs, letter-boxes, hinges and the like.

At 81 Abney Road, London NWE, you will find restored antique fireplaces in wood, cast iron and marble, as well as some reproduction items like firegrates, fenders and coal scuttles.

Snuggle up to a warm current

AFTER the electric blanket, it had to come—welcome to the electric duvet. As the clocks go back, winter looms and chilly nights become a distinct possibility, it's nice for those who are addicted to duvets to know that when the temperatures fall they can turn up the heat. The Superduvet is newly launched, it has a Hollofill fibre filling and a tog rating of 4.5 when used in its un-electrified form. (For those unfamiliar with tog ratings, these are measurements which indicate the insulation factor, and the simple rule of thumb is that the higher the tog rating, the warmer it will keep you—4.5 is usually reckoned to be the minimum for summer time to be average for cool weather and 13.5 is the rating to look for for those who like to be extra warm). In winter, by turning

on the switch, the tog rating of the electric level can be lifted to an almost Scanzarian 20. There's an inbuilt thermostat which makes sure the set temperature keeps steady.

It has, needless to say, been manufactured according to the BEAB standards for electrical safety and to BSI standards for conventional duvets. The heating element is completely waterproof and insulated so that the duvet can be washed in a machine, just like its un-electrified relations.

The economically-minded will be interested to learn that the electricity board has estimated that it costs about 2p per night to run. There are three sizes—single (£59.99),



Ann Moran

double (£79.99) and Kingsize (£99.99). You can find them at stores in the John Lewis partnership group, at Argos

stores (where you may well find them even cheaper at Boots, Currys and at Electricity Board showrooms.

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Talent travels well

DO YOU regard nouvelle cuisine as a term of abuse? Is it like the miniskirt or the pop video—a transient and factitious abomination? Can you eat it? Would you know it if you met it? Has it all gone away now?

Which of the following things did it ever mean? Answer on one side of the sheet only. Smaller portions? Less flour? No flour at all? Pretty food, better to look at than to eat? Food all arranged on the plates in the kitchen? Less fattening food? Surprising new combinations of flavours? More elaborately descriptive menus? Bags of chic? Lots of money for negligible nourishment? Last year's new thing?

It is often all these things when it is in full roaring flood. A huge pretty plate (from Villoroy and Boch as like as not), with some very small bits of food, a pool of colourful sauce and some leaves or even flowers dotted about. Three lines of prose on the menu and a large bill. Mais, que est-ce? Modern and fancy health considerations crowd round. Better for you, not too much, better balance, set it all up, including the power. A glass of bone dry Pinot to go with it.

Enter the grinning mousta-chard figure of Michel Lorain, the credentials—he is the best French provincial chef to win three stars from Michelin. You do not do that

just by being à la mode. He is over here cooking on loan at the Meridien in Piccadilly. There he cooks, less his heart, the same things as he cooks at home in Joigny. I tried him in Joigny and, six days later, in London; his is a transplantable talent. And he does not come hearing any promotional credentials—no Macmillan book, no international reputation, no chain of stores or contract with a freezer-food company. And no moral-fervour (although he brought the foie gras and ceps with him in his luggage).

Press him on the point and he concedes that things have changed, radically and irreversibly. He speaks with neither contempt nor nostalgia of yesterday's food as "in cuisine mijotée" the simmered cuisine mijoite—where the whole scheme was designed to produce a blend of flavours all masking a whole which was bigger and better than the sum of the parts. All gone, he says. Now we have three or four items, separately cooked and tasting of themselves—drawn together by a sauce—meaty, fishy or buttery, which is always conjured with great ease out of professional kitchens but which you and I cannot do as easily as we should like.



FOOD FOR THOUGHT

So attempts at home-grown nouvelle cuisine look likely to atumble. There is the raspberry vinegar, but (as the poet nearly said) where's the bloody sauce?

It is something the French are quite insistent on and we and the Americans have tended to overlook. Nouvelle cuisine dishes without an appropriate (which often means quite rich) sauce are not really worth eating at all.

In Joigny I ate the whole francs 380 (£40.50) menu, before which (in case I was really hungry) the waiter brought first a little dish of marinated raw salmon and then a few slices of hot black

pudding. The lunch proper kicked off with a warm salad of foie gras and ceps. This was followed by filets of red mullet in a fennel vinaigrette with some samphire, snails with an extraordinary purée of parsley, a roast langoustine with green beans and wild mushrooms, just to set you up for the main course of pigeon or fillet of lamb with thyme flowers and garlic. After that it was downhill all the way through the huge cheeseboard, the chocolate fondant with its light buttery sauce, and the plate of sorbets and fresh red fruits. Chahlis is just up the road, so its wine slips very easily onto the table.

Now this is all very French and very three star. Not the bits or menu writing or the freshness or the separateness, but the heavenly sauces and liaisons. Only France produces those kind of sauces and it is in them that the spirit of Escoffier resides. Escoffier, refining cooking through decades of Victorian kitchens, steering it from the primitive to the sophisticated but requiring an enormous apparatus of simmering and reducing. And so in a sense, today you must make a stew, throw it all away, keep the gravy and then start cooking the dinner—last minute,

separated, fresh and pretty but sitting in the end on top of your stew's reduced essences. This is how to get the best of both worlds. The juices and gravy of lovingly simmered things as a background to freshness and simplicity.

Esting M. Lorain's food cost almost exactly the same when I ate it in London (Meridien, Piccadilly) as it did on his home ground at La Cote St Jacques in Joigny, about an hour out of Paris, just off the Autoroute du Soleil. In London we ate (heinz two) st a tiny table in a room like the dining room of the Titanic with waiters in evening dress hurling crockery about in the great echoing spaces. In Joigny (which takes a lot longer to get to) you will get the carefully cultivated country-house atmosphere—a huge dog slumbering in reception, heavenly loos, sun filtering in through the jalousies and the deep peace of provincial France on every hand.

If you are prepared to shut out the incidentals, the food is just the same in both. Oh, except the pigeons. I don't think they came over in the luggage. Bigger suitcase next time, please.

Peter Fort

The butcher Frank Godfrey, mentioned on October 18, has three branches in London: 5 Seymour Place, W1 (01-723 3361); 7 Highbury Park, N5 (01-226 2425) (reopening at the end of November); and 222 High Street, Stoke Newington, N16 (01-246 0123).

After Alexander

PAGANS AND CHRISTIANS IN THE MEDITERRANEAN WORLD FROM THE SECOND CENTURY A.D. TO THE CONVERSION OF CONSTANTINE
by Robin Lane Fox. Viking. £17.95, 800 pages

THE CONTINUITY and discontinuity between early Christianity and the ancient world of pagan polytheism which the Christians evangelised have increasingly fascinated 20th-century scholars. Robin Lane Fox, who many admirers by his study of Alexander the Great. His new work is one of generous humanity and recalcitrant erudition—some of it of the kind that will make this book a little opaque to the reader who does not already know quite a lot about religious life and thought in ancient society. But while his fellow scholars will be delighted with the book, and eager to enter into contention at many points, there is also much here for the general reader. For that general reader the book is evidently in the main intended, since the notes are presented with terse economy at the end of the book, frequently in a dress that only the already expert could easily follow up. Yet the central questions in this book are of consuming interest to all of us who want to know and understand the consequences of the conversion of the ancient world.

The subject is often a sensitive area, and it is here treated in the main with remarkable detachment and sometimes striking sympathy. The author can illuminate one puzzling ancient text by reaching out to another very remote in time and place. Recently discovered inscriptions and papyrus finds are widely used, incidentally illustrating the startling degree to which ancient history is now anything but a re-juggling of long-known stuff. The result is to produce a book whose strength lies in its mastery of details, which then become the basis for some restrained generalisations articulated with donnish caution.

The book is distinctive partly in its juxtaposition of pagan and Christian in the context of civic life (so that we are being given a broad social history of late antiquity), partly in the value-grid imposed upon the story. Lane Fox lays stress on the non-rational elements in religion, both pagan and Christian. The things that fascinate him are dreams and visions, oracles and divination. The Christians were mainly negative towards divination and oracles unless they could somehow transform the oracular medium, like the Sibyl, into a prophet of Christ. On the other hand, they were far from negative to dreams and visions, the importance of which is dramatically attested in, say, Augustine or Gregory the Great.

However, Edward Gibbon's idea that the alarming ceremonies of exorcism were an effective instrument of missionary propaganda and helped to account for Christian success is fittingly demolished. In this book one important judgment pervades the text, namely, that on the whole the Christian intellectuals did not count for all that much, and may even be set to one side as unrepresentative. The characteristic Christians were the enthusiasts, the perfectionists, those who detested compromise in any form. Guided by visions, they held sexual activity in some abhorrence, and rejoiced if and when they were granted the ultimate crown of martyrdom. Therefore, the philosophically-minded theologians, Clement of Alexandria and Origen, or Augustine himself, are chiefly exploited for the information they offer about the more non-rational aspects of early Christian life and practice. It is easy for intellectuals to exaggerate their importance in the world, but I cannot help thinking this judgment to be more than disputable.

It would be hard to dispute, however, that Lane Fox is right in his view that the enthusiasm of the early Christians for the reborn life, with the consequent creation of organised

communities of monks and nuns withdrawn from the secular world and indeed the secular Church, constitute the most striking visible change in the social structure. The Christians also held in great contempt the widespread double standard of marital fidelity for men and women. Augustine, once deplored the male tendency to have short-lived casual affairs as being "almost a masculine disease."—and when he resorted to his book that Christian men should sleep with their wives but not their slave-girls, there was a thud-r of breast-beating.

The book quotes the Apocalypse of John's vision of 144,000 virgins as illustrating the impassioned Christian preference for the ascetic ideal. One might add Origen's comment that since there were not that number in the Roman empire, the text must be allegorically intended. The estimate of Christian attitudes to homosexual practices is particularly judicious.

If one considers to what ethical austerity the Christians invited people, it is astonishing that the mission was successful. Lane Fox is wholly opposed to the idea that Christianity succeeded because paganism was virtually moribund, eroded by philosophical scepticism. Certainly polytheism was a weak form of religion when confronted by a tough-minded universalist monotheism. The Christian evangelists were very sure of a lot of things about which pagans felt more than hesitant. The erosion of the social and political significance of the old city state is at one point singled out as a contributory factor in Christian success, and it is a sentence on which one could spend some evenings of anxious meditation.

The fact that the Christian mission was based on the towns, and that bishops of cities exercised a presidency over congregations in the surrounding countryside (without making diocesan boundaries identical with secular), carried the consequence that in time the Church reinforced rather than

weakened civic loyalties and pride. By the fifth century AD bishops whose churches enjoyed financial support, whether from patricians or from opulent converts, were able to build bridges and aqueducts and in general assume some public social responsibility. Among the major causes for Christian coherence and expansion it is common (and Lane Fox agrees) to count the institutional structure of the ancient churches, focusing on the bishop as president of the episcopate, a specially decisive break with the past, and cer-

tainly ancient pre-Christian society had nothing like this at all. It does not follow, however, that having bishops was to itself a factor separating the Church from ancient culture. I have not mentioned many excellent discussions of particular texts and figures. The book is important and learned and at many points throws new light on the subject.

Henry Chadwick



A floor mosaic found in Jerusalem where Christ is depicted as Orpheus

Glory boys

THE MARKET FOR GLORY: FLEET STREET OWNERSHIP IN THE TWENTIETH CENTURY
by Simon Jenkins. Faber & Faber. £9.95, 224 pages

THE END OF THE STREET
by Linda Melvern. Methuen. £9.95, 287 pages

NEWSPAPERS ARE in vogue. Their long-prophesied, always imminent demise at the hand of television has yet to occur. Far from it: from High Court to TV drama studio, from the National Theatre stage to the burgeoning bookshelves of media studies, journalism—and especially newspaper journalism—is a focus of interest and scrutiny as never before.

Simon Jenkins, a former editor of the now sadly-declined London Evening Standard, captures well the newspaper industry's layered and co-existent contradictions—militant union (closed shop office branches) and conservative readers, a production industry at the heart of a service-dominated city, the products (all of them, to different degrees) a blend of the sordid and the high-minded, the painstakingly accurate and the upliftingly entertaining, the serious and the showy.

In an update of a 1979 book, Jenkins charts the construction of this highly-frictional equilibrium—and the shattering of its cosy, cocooned economics by the advent of Eddie Shah. Awful warning (and awful product) though today is, it broke open priors like Rupert Murdoch the chance for which they had yearned—but by their own volition as much as the print unions—been able to grasp.

Jenkins sketches in the subsequent, and still-continuing, Wapping dispute: Linda Melvern, a former Sunday Times insight journalist, paints the picture. An extraordinary case was, too: her material—deeply detailed, fully documented—on how the company established the Wapping operation, on the dubious role of the EETPU electricians' union, and on early union efforts to study the plant, is revelatory.

The book in part sacrifices organisation for currency; it feverishly up to date (the last date referred to in print is August 26—just eight weeks

before publication). But even in a slow-moving dispute such as Wapping, inevitably it cannot keep pace. Looked at coolly, though, perhaps it does not need to: while the daily events may change, there is an argument, put at one point in the book by Brenda Dean, general secretary of Sogat '82, that the dispute was in fact lost "when their very first newspaper lorry left the plant."

Despite News International's protestations when the book was serialised in the Times that it had not been written in co-operation with the company, Melvern's access to it—and to the unions—was both extensive and worthwhile; whatever the outcome of the dispute, it is unlikely that a better account will need to be written of it. Melvern's story is gripping, highly dramatic (sometimes overly so, in a now mostly played out old Sunday Times style). It is above all a reporter's book, telling the tale, it draws few conclusions, other than the apocalyptic one implied by its title. Jenkins is more thoughtful—and more sceptical, too, about the permanency of the changes sweeping through national newspapers.

For Jenkins, Wapping is as much a breathing space for the unions as a blueprint for the employers: "Every month that the razor wire and picketing could be sustained at Wapping," he writes, "was a month gained elsewhere."

Running counter to most predictions, Jenkins suggests that the traditional Fleet Street print unions, far from disappearing, will reassert themselves: chapel power will be back. How true that is remains to be tested—by this as well as other national newspapers. What is clear is that the economics of the industry have changed, and from that certainly at present, the balance of power and interest in the industry reshaped itself—as Jenkins cogently puts it—"a new equilibrium at a lower price."

Those changes are still eddying round the old street of shame, driving its hardened denizens to other places such as Kennington. The revolution they imply is still in its throes: Melvern's book shows how it is happening in its most extreme form: Jenkins shows why.

Philip Bassett

His own existential hero

WRITING AGAINST: A BIOGRAPHY OF SARTRE
by Ronald Hayman. Weldenfeld & Nicolson. £14.95, 497 pages

THE CONCLUDING chapter in Ronald Hayman's enormously impressive biography of Jean-Paul Sartre is entitled Not a Conclusion: Sartre's Continuing Life. Sartre lives on, says Mr Hayman, because his influence is so pervasive. "But it cannot be analysed because it cannot be isolated."

No doubt this is true; Sartre was not just a towering intellectual figure, he was also one of the dominant forces in the post-war world. Both a novelist and a philosopher, he was also a biographer, playwright, essayist and journalist, public speaker and left-wing agitator; his published output was prodigious, his intellectual ambition awe-inspiring, his energy and application astonishing.

Sartre may not have invented the ideas of existentialism or angst, but he achieved what few philosophers have ever achieved in their own lifetime: he became a vastly popular and influential monstre sacré. At the age of 20 he wrote a one-act comedy called *Flourish* and an entertainment (it'll have a fine funeral); he could not have foreseen that 50,000 people would follow his coffin 58 years later.

And yet, and yet, I felt let down by the renunciation implicit in that final chapter heading. If this was the philosopher-king of the late 1940s and 1950s surely it must be possible to say something about



Sartre: inordinate output

what he bequeathed to us? Well, yes, says Mr Hayman; he influenced Simone de Beauvoir to launch contemporary feminism with *Le Deuxieme Sexe*; he influenced R. D. Laing's ideas on existentialist psycho-analysis; and his ceaseless worrying at the dilemma of violence, freedom and the repression of the state has probably influenced the way we all think. He also wrote plays and novels that captured the atmosphere of wartime Europe. But he set out to perform impossible feats, according to Mr Hayman: to prove that history has a single meaning,

to create a dialectical morality, to reconcile psycho-analysis with Marxism. "He could not have done what he did if he had been realistic about what he could do."

This may be a clue to the heart of the Sartrean phenomenon. Perhaps he was a major figure, less because of the intellectual continents he was constantly striving to discover, let alone those he actually did discover, than because his dazzling efforts to straddle art, politics and philosophy, turned him into a cult-figure with enormous appeal for the young, a writer-philosopher deeply engaged in political debate but unswayed by the compromises of politics, a beacon of left-wing commitment in the flux of the post-war world.

Mr Hayman gives a compelling picture of Sartre's daemonic drive to think, to write, to engage in the world, to write, ten hours a day for 50 years, with drugs to keep up the concentration, the pressure, the flow. "I cannot believe," says Mr Hayman, "anybody has ever written more greedily and sensually than Sartre did."

Strangely, Sartre had two quite distinct methods of writing. With his fiction, he was careful to keep his head clear of narcotics, and he carefully polished his prose, writing only three lines to a page; with philosophy, he might well be stoned on drugs, writing at frenzied speed, sometimes with unfortunate results. Speaking of the *Critique of dialectical*

reason, Mr Hayman says that "the writing is muddled, long-winded, repetitious and jargon-ridden..."

Superficially, Sartre was over-enthused by the gods, in his intellect. In his fame, in the love of women, Simone de Beauvoir loved and looked after him until his death; until his death he sustained promiscuous relationships with several other women simultaneously, and he repaid de Beauvoir at the last by adopting his newest and youngest mistress as his daughter.

Despite Sartre's contempt for achievement, fame and love, the dominant impression of the tale told by Mr Hayman is profoundly depressing, because it comes across as a sad, distorted immature life. Sartre eschewed marriage, parenthood, possessions, property: everything was sacrificed to the productiveness of his brilliant intellect in a lifelong frenzy which finally burned him up. He hated conservatism and the bourgeoisie; yet he was not merely an extreme exemplar of French bourgeois education, a product of the Ecole Normale Supérieure, he was immersed in the bourgeois cultural traditions of France and Western Europe.

I do not suppose Mr Hayman really intended a depressing effect; I imagine he intended to niggle his subject. But for me, the concluding sensations on reading this long book are of a man who was awe-inspiring, baffling, incomprehensible and sad.

Ian Davidson



CRIME

PUBLISH AND BE KILLED
by Anne Morice. Macmillan. £7.95, 190 pages
A PRIVATE PROSECUTION
by Eileen Dewhurst. Collins. £8.95, 205 pages

FOR AN apparently gifted and successful actress, Tessa Crichton seems to spend an inordinate amount of time resting between engagements. But admirers of her chronicler, Anne Morice, can only be grateful for this lack of alertness on the part of managers, because these supposedly idle times are regularly spiced with homicide, and Tessa—with or without her policeman husband—regularly arrives at the solution. This time she becomes involved with a dotty family of actors and writers. There is a complex business of fake letters, an unfinished scandalous autobiography, disguises. It is all froth, but expertly whipped up.

Eileen Dewhurst describes a costume ball. The adolescent son of the family plays a cruel trick, and is found murdered the next day. It is his death part of a series of killings by a local "monster"? D.C.S. Kendrick investigates, with patience and comprehension. And in the course of his enquiry, he and we—come to know a complex, menacing family. Let us, but not slow.

William Weaver



Sir Michael Butler: selling the market to his masters

EEC champion

EUROPE: MORE THAN A CONTINENT
by Sir Michael Butler. Heinemann. £15.00, 184 pages

IT WAS a cool Brussels autumn evening in 1979 when we were summoned to an elegant bourgeois residence for our first encounter with Britain's new permanent representative to the European Community. He sat in a winged chair, extremities planted on a foot stool and pronounced: "Our task is to reconcile the British people to Community membership."

The journalists, including the newly arrived PT man, were uncertain as to whether Sir Michael, as he soon became, was determined to include them in his mission. Since more than half worked for editors for whom the only good EEC story was a knocking story, the task was obviously a difficult one.

But after four years of close observation I concluded that he had been speaking that September evening not for Mrs Thatcher, who had just appointed him, but for himself. Sir Michael Butler was, and is, probably far more committed to the Community than any of the politicians he served. His greatest achievement during his six years in Brussels may have been in reconciling the Prime Minister, rather than the British people, to the unavoidable necessity of Community membership.

Sadly, very little of this struggle has found its way into Sir Michael's book. Such a memoir written in the first days of retirement would not have won the obligatory Foreign Office clearance. His more modest purpose was, he says, to provide a photograph of the EEC at the beginning of 1986 and he has done so with characteristic thoroughness, insight and occasional wit.

More three-dimensional than many a photograph, it nonetheless lacks definition here and there. His absorbing (if a little over-technical for the general reader) account of the five year struggle to cut Britain's budget payments to Brussels would have benefited from some speculation as to why the other member countries held out for so long before making the concessions Mrs Thatcher and Sir Michael had so stubbornly fought for.

"If the campaign had to go on for five years, it was because the others were slow to grasp the nettle," is not good enough as an explanation. Farly because it does not focus on the importance of personalities in Community politics. He acknowledges that frequency of contact in the EEC allows ministers to get to know each other very well. He does not admit that personal animosities can act in the way of agreements. He and Mrs Thatcher shared a similar didactic, meticulously well-briefed negotiating style which relished the scoring of debating points and which was about as palatable to some of their adversaries as a dose of castor oil.

Nevertheless, "My Life's Work" as he has described the huge problem was finally crowned in June 1984 with as good an agreement as Britain could have hoped for. As Sir Michael points out, Britain is now an "ordinary" member of a Community which may or may not be heading one day for a federally united Europe. Defining its objective, he says, matters far less than realising that its members are steadily conceding sovereignty out of the need to find common solutions to common problems.

His account of the institutions and the procedures through which this is happening admirably fills a gap in a generally undistinguished literature. Some readers will undoubtedly find it too uncritical and also culpable in ignoring the Community's failure to spark an interest and commitment among the people of Europe who are not industrialists, politicians or farmers.

Now, even Neil Kinnock and the British Labour Party, even the Danes, are now reconciled to the Community. Perhaps they too have come to share Sir Michael's conclusion that: "If it could in its early years resist General de Gaulle's desire to replace it with intergovernmental co-operation between sovereign states, 20 years and immense progress later it can easily cope with its much less formidable opponents of the present day."

We have come some way since that evening in 1979.

John Wyles

War and Böll

THE CASUALTY
by Helmut Böll, translated by Leila Vennewitz. Chatto & Windus. £9.95, 189 pages

PERFECT ENGLISH
by Paul Pickering. Weldenfeld & Nicolson. £9.95, 205 pages

RESPECTED SIR
by Naguib Mahfouz, translated by Rasheed El-Ebany. Quartet. £8.95, 154 pages

FAMILY SKELETONS
by Henrietta Garnett. Gollancz. £9.95, 213 pages

SOMEWHERE ON the Russian front, a drunk German officer is preparing an attack. Deep in his dugout, with a blanket across the entrance to hide the light, he is drawing up the orders that will send 15, perhaps 20 men to their deaths next day. Above him a Russian bomber cruises the night sky, looking for a target. All around, the German soldiers shiver in their foxholes, waiting to die.

Suddenly one of them leaves his hole to answer a call of nature. He is gone some time. In his absence a light appears outside the officer's dugout. Some idiot has left a candle there. The Russian plane homes in on the explosion. The officer's dugout is destroyed, the officer with it. The men relax in their trenches. The war will be no attack next day...

Or the day after, if the soldiers in Heinrich Böll's posthumous collection of short stories *The Casualty* have their way. They are not heroes, even though some of them have been decorated as such. They are ordinary young men, boys mostly, terrified of war, terrified of anything to do with fighting.

But the Germans are not the only victims in these stories. A Russian suffers too a boy whose aquiline features lead to a case of mistaken identity and a one-way trip to the execution pit outside town. Cause of Death: Hooked Nose, according to the hospital records. And an American, a serviceman in post-war Germany, contemplates suicide in the Rhine because a German girl will not have him. He ends up saving a German boy instead. The boy has lost his family's ration cards and wants to kill himself because he knows they are irreplaceable.

All in all, a thoroughly bleak collection by a modern German master, winner of the Nobel Prize in 1972. The stories will not cheer anyone up, but they are outstandingly written, most of them, outstandingly translated too. It is perfectly possible to understand and sympathise with the ordinary soldiers depicted here, even if one's stock of enthusiasm for the German army as a whole is easily exhausted.

Paul Pickering's second novel *Perfect English* deals

with war too, though in a more contemporary, less apocalyptic vein. It covers much the same ground as his first, the politics of Latin America, and more particularly Nicaragua, where his Cambridge-educated hero Johnny Morgan arrives to support the Sandinista cause against the Reagan-backed Contras. He and girlfriend Catherine carry Kalashnikovs and are working for *Perfect English*, a Californian charity dedicated to liberation theology—winning the poor back to the Catholic Church, by espousing the Marxist ideology of the slums.

The Sandinistas take their name from Sandino, a revolutionary hero murdered by the Somoza family in 1934. His grave has never been found. Never, that is, until the author digs him up, preserved in sugar, and lays him on a table, prior to embalming as a national icon. Unfortunately, Johnny and Catherine happen to be passing and mistake the sugared remains for sweetmeats.

Black humour then, interspersed with more or less straight reporting of the Nicaraguan situation from an author who was once the Times's man on the spot. The hero is a little uneasy. He might do better next time to have off the serious stuff for a work of non-fiction. But the humour has its moments, particularly Johnny explaining to the disapproving Sandinistas that the English deal with their peasants by learning how to shoot them in the Corps, at public school.

Respected Sir, by the Arab novelist Naguib Mahfouz, is one of his later works, written with heavy irony. It traces the career of Othman Bayoum, a lower class Egyptian, who joins the civil service as a clerk and works his way up to become Director-General, each step on the ladder being pursued with overblown, almost religious zeal. He in turn is pursued by various women, but ends up marrying the prostitute he has known for years. It's an odd tale, ultimately a little thin: it might perhaps have fared better as a longish short story.

Henrietta Garnett's *Family Skeletons* is a first novel, written by a grandmother born in 1945. It follows the life and loves of Catherine—an orphaned mysteriously in a bombing accident who never knew her parents and grows up with her uncle in a large, isolated house by the sea. She marries her cousin Tara, and after his death sleeps with his cousin Gerald. The enigma of her early life is cleared up in the end, but the author's attempts to create an aura of mystery around the central character sometimes succeed in confusing the reader as well.

Nicholas Best

J.K. Randle's third thought provoking book on the state of Nigeria

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J.K. Randle

This magnificent exhibition at the Hayward Gallery delights William Packer

Genius of Rodin is fully exposed

OF ALL the great artists of the 19th century, the period of the first heroic phase of the modern movement, Auguste Rodin has always been the most singular, awkward and bard to place. In the face of the work itself there can never have been any doubt of the extraordinary force and vitality of his creative genius, that much dehaired but sometimes necessary word; but quite where his gifts and achievement place him in critical terms is another question.

A number of factors combine to make the difficulty. He appeared, it seemed, the heir to a decadent academic tradition, which he rescued, dusted down and set in a new direction. And yet he, the great sculptor, stood quite alone, set apart by the very scale of his achievement, which itself would seem a burden to those who came after him. The received impression was that he was *sui generis*, a kind of freak or sport of art and nature that could be set into no other critical context but what he supplied himself.

The great painters of his time, by contrast, suffered no such isolation for they had that handy collective, Impressionism, to draw them together, to give them their place in their own time, with and against each other. But like many such apparently useful labels, the more we look into Impressionism, the more there is to it of convenience than substance. The critical world moves on and by degrees our attitudes and understandings



"Jean d'Aire" (definitive state)

change. Ever since the last major Rodin show in London, at the Hayward Gallery in 1970, our view of the art of the 19th century has changed utterly.

This exhibition set the scene and opportunity for modernism, and with it our view of Rodin and the Impressionists. For when an hermetic category is broken up, or simply outlives its usefulness and falls apart, we are free to make constructions and relationships with the elements it once contained. With so many of the impressionists lately re-examined

closely in the full range of their own work and re-set in the broader contemporary context, Rodin now stands, less the man apart than once he was.

And while this piecemeal review has continued of artists already acknowledged as of the first importance, so a more generous interest has been shown in the generality of academicism and the salon, which both educated and set off the reaction to it. Rodin was not so much a revolutionary as an artist who matured slowly within an established tradition, which he then turned to his own purposes, for he was into his forties before he really declared himself.

The great strength of the magnificent exhibition, which Catherine Lampert of the Arts Council has selected and arranged at the Hayward Gallery (until January 27) is that it should give us all an account of the emergent Rodin, the tentative exploratory artist of the 1870s and the astonishing blossoming into full, confident and public maturity with the 1880s. Of particular importance is the mass of drawings of this period, which are virtually unknown, except to Rodin scholars.

That Rodin was an extraordinary and particular draftsman, and immensely prolific, is general knowledge, but it is by the later drawings, with their light washes of colour and rapid, simple linear notation of the image, that we know him. These too are beautiful and delightful, and represented here by a fine selection. They are almost exclusively studies

of the female nude; studies that often relate directly to sculpture, often openly erotic and sometimes of an almost anatomical frankness. But here it is to the earlier drawings that we return, and drawn to them not merely by the pleasures of unfamiliarity.

Clearly they are the product of the same hand and sensibility, the line informed by the same nervous energy, the image more suggested than described, and conjured out of the same swirling wash of tone or colour. But there is also a quality of more positive engagement to them: a sense of an unselfconscious expressionism, even at so early a date when the artist must discover his idea and establish its image. It is a process, not of calm consideration and choice, but rather of rapid intuitive decision, the direct, unmediated expression of feeling.

And it keeps us close to the sculpture, for these are just the qualities we find in the sculpture from first to last, but none of it more so than the early symbolist maquette in plaster and terracotta. The myth that great sculptors make great draughtsmen has some truth to it: Rodin is one who both confirms it and gives it life. For the excitement and power of great drawing lie close to the immediate experience in the artist of observation, discovery or statement, and the consequent knowledge of the image in the most biblical of senses. We get in some of the later drawings, but not in the earlier, a sense of

elegant and effortless demonstration.

But it is the sculpture that the drawings serve, and Rodin the sculptor, the integrated artist, whom we celebrate with this exhibition. Beautiful though it is in its arrangement, and impressive in its effect, it is not simply an exercise in showing the artist by his greatest works. Miss Lampert makes this clear in her introduction to her splendid monograph, which serves also as the catalogue (published by the Arts Council and Yale University Press at £9.95 during the exhibition, £12.95 thereafter).

Her intention has been to offer a view of Rodin not available through museum collections, not even through the Musée Rodin itself. The result is that we are shown much more than is fresh and unfamiliar rather than just the early drawings. The emphasis lies with the personal and intimate aspects of the work, with the exploratory and the experimental, with the development of ideas rather than just their resolution. Certain themes are picked up and followed through. They are both personal and creative, such as his relationships with his models and female students, and his preoccupation with great literary figures and the nature of creative inspiration. The physical sexuality of women, often idealised and transmuted into a symbolic sensual spirituality, clearly obsessed him throughout his life.

But it is perhaps in the work

direct from the figure, in the portrait studies especially, rather than in the more ambitious essays in romantic, symbolic expression that we find Rodin at his most resolved and profound. He was always more the modeller than the carver and his work, even at its most considered, has all the essential speed and directness of statement of the medium of modelling in clay.

From that private communion between the artist and his model, in which all other considerations fall away before the demands of seeing, understanding and realisation, have come the most lovely and haunting works of all, though they are among the smallest in the exhibition. There is the head of Gwen John, for example, modelled from life for the aborted Whistler Monument, and her figure for it too; and the tiny head of Camille Claudel, his long-time model and mistress, in the case nearby. He comes near to admitting as much himself: "... but a portrait of a woman is another thing, their nature is not ours, we are far from grasping it; we must therefore be respectful and discreet. We must be circumspect in unveiling their tender and delicate mystery. Even with them, always the truth, but not always all the truth. Sometimes we may, just a little, drop the veil."

The Rodin Exhibition is sponsored by Pearson plc, in its continuing policy of supporting one major event in London each year.



"Le Crépuscule" (two girls embracing)

Records

Poulenc lives on

Poulenc: Vocal and instrumental pieces. Allen, Nash Ensemble/Friend. CRD 1137, also on cassette and compact disc.

Leguerey: Melodies vol II. Ollmann, Massell/Dibbern. Harmonia Mundi HMC 1172.

Webern: Songs with piano. Dorow, Rudolf Jansen. Etcetera/Harmonia Mundi ETC 2008 (two records), also on cassette.

Rodgers & Hammerstein: South Pacific (dialogue omitted). Kanawa, Carreras, Vaughan, Patinkin, Ambrosian Singers, London Symphony/Tunick. CBS SM 42205, also on cassette and CD.

Though none of the 20th-century music here expects its singers to do anything but straightforwardly sing — no loud-belters, no electronic manipulation, no pop-music tricks, no *Sprechstimme* — this brief list includes extreme variety, and no tidy historical progression. The newest music is not South Pacific, but some of the Jacques Leguerey songs; Leguerey's only musical relative within cabaret is Poulenc, whose 1932 cabaret-cantata *Le Bal masqué* is two years older than Webern's last solo songs, which sound far more "advanced," but feel much less contemporary.

Poulenc's uncomplicated modernism of a half-century ago has survived buoyantly. A serious study of why it goes on working when everything else that came from members of "Les Six" has dated, is yet to be written. It would begin, I think, from Stravinsky's approving comment that Poulenc "invents his own folklore": every element of the music has a deceptive, disarming air of pastiche, behind which Poulenc acts on with his original surrealist constructions without the analyst's noticing.

The new CD collection by The Nash Ensemble and the Nash Trio (the Trio and the later Sextet) with voice-and-instruments made is savoury, drawn from

Poulenc's first mature period, and every performance does justice to the instant switches between vaudeville verve and tender gravity. Jan Eyren's piano leads the music brilliantly, with virtuoso competition from his colleagues; Allen is very good in the Apollinaire set *Le Bestiaire* (Poulenc's answer to Ravel's *Histoires naturelles*), and splendid in the raucous, savagely comic *Bal masqué*.

Hardly anybody knows anything about Jacques Leguerey, who turns 80 this month. Before he stopped composing some 20 years ago, apparently in judgement because a hallet commissioned from him was never staged, he had produced a rich haul of songs. Enough distinguished musicians admire them to have moved L'Action Musicale Seita, a non-profit patron group, to fund a complete recording on two discs. The performers are all American: the baritone Kurt Ollmann, a model Souza pupil, is abetted by the pretty soprano Deborah Massell and Mary Dibbern's expertly sympathetic piano.

Leguerey was no kind of revolutionary, and he was bound to be overlooked by all those music-historians who subscribe to Diaghilev's prescription for good new music: "astonish me!" Leguerey's songs are not astonishing, just highly successful. On the one hand they share the climate and the common vocabulary of melodies from Fauré to Poulenc, without radical inventions; on the other they are modestly, consistently original in detail, sensitive to their texts and grateful to singer and pianist alike. If there is still room for conservative modern composers to take places in the repertoire, Leguerey ought to be among the lucky ones. It is a pity that the records include no texts (though there is a Shakespeare song in English among the *Ronsards* and *Racines*), but at least Ollmann's French is clear and idiomatic.

Dorothy Dorow's Webern collection—all the songs with piano except a couple of early ones for bass voice—is a gentle re-

velation. Half of the songs are technically juvenilia, published long after Webern's death; another unfamiliar four, on Stefan George texts, belong with the canonical George songs of opp. 3 and 4, and are of the same high quality. What Miss Dorow and her intelligent accompanist reveal, with the advantages of her unshowy skill and her preternaturally wide range (only one or two fearfully high-flying songs tax her), is the development of a born *Lieder* composer.

Even Webern devotees are inclined to think of his song-writing as typified by his most unshabby, his general knowledge, but it is by the later drawings, with their light washes of colour and rapid, simple linear notation of the image, that we know him. These too are beautiful and delightful, and represented here by a fine selection. They are almost exclusively studies

The new *South Pacific* is of course a sequel to the recent opera-scale *West Side Story*, with the same two upmarket stars. There, Dame Kiri's grand dame style was adapted to innocent little Maria with variable success; Nurse Forbush in *South Pacific* is a tougher grown-up, and the Kanawa version has ringing conviction (though "I'm Gonna Wash that Man, etc." sounds cross and disgruntled compared to the zestful Mary Martin original).

Sarah Vaughan makes a delectable meal of Bloody Mary's songs ("Bali Ha!"), never was anything more than a rewrite of "Indian Love Call", cheerfully subverting the middlebrow idiom. Mandy Patinkin, the juve-led tender, copes with the verbal horrors of "Younger than Springtime" by treating them as rapturous facial. The supporting singers are first-rate: the LSO is a tiny bit stiff—but Robert Russell Bennett's fake-Viennese orchestral elaborations have faded faster than Richard Rodgers' tunes, which deserve a plainer, punchier treatment without the abject culture-consciousness.

David Murray

Radio

Camus can take a bow

ALBERT Camus's *La Peste*, dramatised for radio by Guy Metcal, who for some reason has left the title in French (and the Radio Times has printed it in proper French orthography) was given a real Drury Lane production on Radio 3 on Tuesday. There were 20 players, if you include the uncredited dying child, half a dozen of these stars of the radio drama world, and the play was allowed to run for two hours. It was worth every second of it.

The honours are mainly due to Camus, for the book is full of incident, moving or exciting, that transfers effectively to sound. The long commentaries acknowledged in the final pages of the work of the hero, Dr Rieux, have mostly been converted into dialogue, but some were retained and spoken by Ronald Pickup as Rieux. The incidental sounds were natural and excessive. They included

the squeaking of rats, the moaning and choking of plague victims in the hospital wards, a particularly good collapsing building, well-chosen records of the French popular music of the 1940s, and in their way they were as much part of the narrative as the dialogue.

The story of an outbreak of bubonic, and later pneumonic, plague in Oran, streams along on its supporting details—Rieux's wife dying in a sanatorium while he fights the outbreak, the reporter Rambert's discarded plan to escape quarantine and join his mistress, old Grand's ambition to write a romance, Castel's new serum, Cottard's violent entry and more violent exit, the conflict between medicine and religion.

Every moment of the whole two hours was filled with worthwhile listening, and the playing by Ronald Pickup as Rieux,

John Shrapnel as Tarrou, Alfred Burke as Fr Paneloux, Clive Merrison as Rambert, Maurice Denham as Grand, indeed all of the company under Cherry Cookson's direction, was sharp and truthful. In 1947, when the novel was published, the plague was accepted as an analogue of fascism. A little of that still remains—in Rieux's remark, for example, that a teacher in school would go on teaching that two and two make four, though he knew that there might come a moment in history when to make such a claim might be punishable by death.

At the foot of the Radio Times entry for the play it says "Hear This, page 23." I turned to page 23, hoping for some information about the adaptation, the use of sound, something about the production. What I found was a gossipy paragraph about Maurice Den-



Allen turns on plastic patter

Dave Allen *Plastic* might be more appropriate to this synthetic turn, made up as it is of uncertainly conflicting elements. What begins as the humour of gentle everyday observation turns into the beating monologue of the saloon-bawling loudmouth who outbores you and could turn oasty at any minute.

I have never seen Mr Allen on television but his relaxed manner is supposed to explain much of his success. There was a ripple of recognition from the audience at the sight of the spottist studio chair, bearing a glass of lime, and the microphone on an otherwise empty stage. Paradoxically Mr Allen live is very unrelaxed, resorting to ear-splitting shouting at comic climax, a faintly unsympathetic personality projecting sometimes unlikeable material in a bumptious manner.

The trouble is, he has discovered America. Or vice versa. Thus the reflective comedy of shared experience—picking the wrong que in the post office, health shops ("hairy women with sandals"), unmanageable milk cartons, cling-film and sticky tape, disappearing bank cashiers (or "tellers" as he tellingly calls them)—is sprinkled with epithets as if they were the usual mode of expression in everyday conversation, at least in the Allen household.

When not overdoing the com-

onest American physiological insult (pretty fundamental), he recalls other and better comedians. His account of teaching his daughter to drive inevitably brings Bob Newhart's irresistible "Driving Instructor" monologue to mind. The latter managed to be funny without yelling "Stupid bitch!"

Apart from the famous relaxed and intimate manner that seems to have evaporated out of the confines of a TV studio, Mr Allen's material is frequently venerable and predictable. Political jokes are not of the most subtle and are perhaps more in tune with telly watching than the slightly more sophisticated demands of a one-man West End show. "He who returned from the embalmers—and they say there's no life after death" is how he refers to President Reagan. Spitting *Image* is more savage. *Week End* is wittier. And what would generations of TV-nurtured comics do without the Catholic faith? Look for original material freshened by a little wit, perhaps. It takes someone very special to carry a solo show for two and a half hours. Still, Mr Allen is big in Australia. His bow not over the grannies who hold him up in the queue ("You f—ing old geriatrics, why can't you die? I want to buy some stamps!") will doubtless go down a treat.

Martin Hoyle

Happy Aurora shines

The first *Sleeping Beauty* of the season at the Opera House revealed the Royal Ballet's staging as newly furnished with sets for the first and second acts. Both are welcome, David Walker's colonnaded park setting for Aurora's birthday especially pleasing, his rather tightly drawn forest for the vicious sequence not helped by insensitive lighting.

The production remains otherwise unchanged — save for the extended travel of the Lilac Fairy's boat which now crosses the fore-stage on its journey to the enchanted castle — and its ugly musical cuts

in the panorama, and the awful bustle of the dance action as the evening progresses, are matters which must soon be remedied. What must be instantly attended to, if Thursday night's performance was any guide to standards, was the insensitivity of the musical presentation: thin string tone, fudged entries, made the appearance of the Fairy Godmothers unhappy listening.

With memories of the Bolshoi's way with classic dancing still fresh in mind, it is also disconcerting to see dancing so

physically ungenerous, so prissy, as the Royal Ballet's account of a work demanding splendour of utterance from every person on stage. I am not suggesting that we ape the Russians, but the richness of Chalkovsky's music, the grand outlines of Petipa's dances, are ill served by some of the petty stepping to be seen on this occasion, and by indecisive command of technique. (The Fairy cavaliers of the prologue produced quaint double tours en l'air, with only Anthony Dowson seeming secure in the step.)

The Aurora of the evening, Fiona Chadwick, brings a great deal of technical and emotional brightness to her role. This is a happy, unafraid reading, with every challenge met by a secure and buoyant manner. The dance is shot with sunlight and though the Rose Adagio's balances spoke of an effort to poise too long, this Princess is worthy of her name in radiant charm. Especially fine the clarity with which Miss Chadwick enunciates the smallest step; a quick-running *pas de bourrée* is like an impeccable trill; the placing of accents in

the Vision solo never breaks the pure line of its continuity. It is still a "young" reading, but everywhere attractive, and respecting the best traditions of the ballet.

Mark Silver was an elegant Florimund, a prince in every step of the great *pas de deux*, though out perhaps projecting enough of that emotional fervour which makes the character ready to fall instantly in love with the vision of an unknown beauty. The Bluebirds, Cynthia Harvey and the ever-improving Anthony Dowson, were handsome in their command of the transcendental flutterings of their roles.

As final notes in passing, I think it inadvisable that Gallison, the Prince's tutor, should now end the game of blind man's bluff by clutching at the Countess's corsage: it is the first time I have known this moment to get a cheap laugh from the audience. And I record with continuing pleasure the masterly portrayal of Catalabutte by Leslie Edwards: it is a reading of enduring excellence and dramatic aptness.

Clement Crisp

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Swatted by the mean Green Machine



Nick Garnett on the rugby league wizards from Australia who have yet again turned Britain's best into pumpkins

'YOU CAN'T play one-man rugby against these guys, you puddin'.' It was a cry of anguish from one of the 50,000 rugby league fans shoehorned into Manchester's Old Trafford ground last week as yet another Great Britain player on a suicidal solo run disappeared into the black hole of the Australian defence.

The condition of Australian football underscores the way British professional sport in general is locked into a low-paying economy. Star players in the mercilessly tough Sydney and Brisbane leagues enjoy contracts worth anything from A\$45,000 (\$22,000) to A\$80,000 a year.

Wales, the main Australian centre for league, the game is bankrolled by industrial and commercial sponsors and by Channel 10 television via the league structure.

The money helps to create the right environment, but cannot on its own explain the way British teams have been pulverised by the Kangaroos since 1978.

Zealand two years ago seems to be based on two things. One is a professional coaching structure with roots deep in the high schools.

Britain has anything like this set-up. In addition, the selection of players for the national Australian squad, although bedevilled by political infighting between Queensland and NSW, is greatly helped by the annual three-match State of Origin series in which the best players are pitted against each other in bitterly-contested matches.

there is built on venomous defence. The emphasis of the US gridiron game on shutting down the opposing side's space and not losing possession has been absorbed by all the top league teams. This is also becoming increasingly prevalent in Britain, particularly at cash-rich Wigan, but the home game is apparently developing more slowly than people had hoped.

breeding big men who can sprint—body mass and speed being an unbeatable combination for laying siege to a defensive line. This is particularly noticeable at centre where two of the Kangaroos, Gene Miles and Mal Meninga, although little more than 6 ft tall, weigh close to 16 stone and have tremendous acceleration over 20 metres.

FROM WATCHING golf on television you might think that the game was only for powerful male professionals who bit the ball vast distances, hole magnificent putts and achieve astounding recoveries if ever they do find trouble in bunkers, trees or thick rough. Having seen Greg Norman or Seve Ballesteros, the worldwide army of dedicated amateurs is surprised and frustrated that it cannot ape its heroes on the course.

women's golf is rarely shown on television and the European tour finished last weekend at La Manga in Spain. There the circuit reached a fittingly furious climax with Liselotte Neumann and Laura Davies striving to be the year's top money-winner and earn a bonus of £5,000 from Ring & Brymer, sponsors of the merit table.

Not all champions of the greens and fairways are men. But why, asks Nicholas Keith, do we see so little of the new breed of star women?

Behind them come Gillian Stewart, who is 27 and only the third in all. The advance of the younger brigade has helped to save the tour. In 1982, the WPGA had reached its lowest ebb and was threatened with extinction.

with a score of 14-under par and is considered by many experts to have an ideal method; and Muriel Thomson, who has been on the tour since it began in 1979 and has twice finished top of the order of merit.

more than £700,000 was at stake and in 1987 the fund will top £1m, with two six-figure tournaments. This is small change compared with America, where this season's leading money-earner, Pat Bradley, has won over \$500,000—more than three times the career takings of Dale Reid in the WPGA, with £105,000.

quick to fine Laura Davies early in her career when, in his view, she was sloppily turned out. ('A new pair of trousers cost £50, and look what it has done for Laura Davies,' Snape joked, but with a serious undertone.)

There is a cheerful camaraderie among the WPGA players to go with their professional rivalry. The improved morale and prizes have transformed standards to such an extent that the TV programmes should have another look at the women's game, although they are notoriously blinkered and 'stodgy.' 'Unfortunately,' says Snape, 'when the British Women's Open was last televised it was won by a Japanese in foul weather, which did nothing for the image of the game.'

Golf you never see on telly

F.T. CROSSWORD PUZZLE NO. 6,166

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11.00 am UPO, 11.58 HTV News, 1.20 pm Chips, 10.00 Club Rugby (Bridgend vs Bristol), 10.45 Mike Premier: James Stewart and Orla O'Leary in Hitchcock's 'The Man Who Knew Too Much'.

SUNDAY

11.00 am No Limits, 11.58 The Cuckoo Strain, 1.15 pm European Goia Concert, Music by Britten, Brito and Beethoven (shared with Radio 3).

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Denholm Elliott and Emyl Williams in Past Carling BBC1, 9.10 pm

Vertical text on the right edge of the page, including 'Sredes', 'Protest at Moscow', 'Bugging', and other fragments.